JPRS 76270

21 August 1980

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2035

FBIS FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available from Bell & Howell, Old Mansfield Road, Wooster, Ohio 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

JPRS 76270

21 August 1980

EAST EUROPE REPORT

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2035

CONTENTS

CEMA COOPERATION IN PRODUCTION OF FODDER MIXES DISCUSSED

Budapest ELETEZESI IPAR in Hungarian No 6, 80 pp 211-214

[Article by Tibor Tomay, managing chief engineer of the Grain Trust: "CEMA Cooperation in Modernization of Fodder Mix Manufacture"]

[Text] Summary

Economic cooperation is an important method of developing international contacts. This makes possible modern coordination of and government level support for production and research and development. If the enterprises make use of this they can create various common programs and so can keep technical progress at a level cooresponding to the world level.

The author examines the possibility of this from the viewpoint of fodder mix manufacture.

He deals with questions of process control and specialization in the international division of labor. He reports on the variety of products, manufacturing agreements, primary materials and additives, methods for storing them and the machines needed for various technologies.

Economic cooperation is an important method of developing international contacts. The various technical, scientific and economic agreements make possible the planned coordination of and government level support for production and research and development within the CEMA countries.

Realization, however, is an enterprise task. If the enterprises make use of the support guaranteed in the agreements made between countries they can create integrated, specialized production and can bring about the planned development of common research and development programs.

Technical progress and tools of production corresponding to the world level are conditions for efficient production.

Indispensable for the realization of this goal, however, is the international division of labor, which must extend not only to the production of products and technological processes but also to the research and development which precede this.

For this reason the cooperation and other specialization agreements signed among the socialist countries are of fundamental importance from the view - point of the planned development of our economy and an increase in the efficiency of production.

For years we have been continually organizing international cooperation in the special areas interdependent with the spheres of activity of our speciality with the appropriate research and economic partners--in conjunction with the government level cooperation programs of the ministry.

Taking into consideration the various points of view we signed cooperation agreements with the member countries of CEMA in regard to the manufacture of fodder mixes and in regard to product development which pertain to the current plan period also.

We should place special emphasis on the common research program which came into being on the basis of the 1976 protocol of the Soviet Union and the Hungarian People's Republic which will set scientific requirements pertaining to the granulation of fodder mixes.

The national effort to develop meat production, in conjunction with the goals aimed at improving specific fodder use, increase the significance of the research program.

The coordinators of the joint research program are the Milling and Baking Industry Research Institute and the All Union Fodder Mix Industry Scientific Research Institute of the Purchasing Ministry of the Soviet Union.

The results thus far of the special program based on a division of labor prove unambiguously that animals belonging to different species and to different age groups have different biological needs in regard to the granulation of milled fodder mixes and that inappropriate granule size adversely affects the usefulness of the fodder.

The work group which met in Moscow in December 1978 to deal with the further development of manufacturing technologies and equipment for fodder mixes prescribed the following additional themes:

--Automation of fodder mix manufacture using electronic computers;

--Use of electronic computers to compile recipes for fodder mixes;

--Introduction of tests pertaining to manufacturing heat treatment of the various kinds of raw materials;

--Methods of using liquid and dry fats in the fodder mix industry; and

--Creation of a uniform terminology for fodder mix manufacture.

Process Control of Fodder Mix Manufacture

In regard to automation of the technological processes of fodder mix manufacture it is obvious that the unique economic conditions of the several countries are the determining factors. But we can establish it as a basic principle that it is justified to automate all technological processes in those fodder mix manufacturing plants with a capacity greater than 20 tons per hour.

In those plants where it is not useful to have computer control of all processes one should still automate weighing and counting for the raw materials put in and the finished products delivered and one should automate the adding and mixing of the components of the fodder mixes.

Heat Treatment in Fodder Mix Manufacture

The heat treatment of various kinds of raw materials came up when animal husbandry was placed on industrial foundations. This also greatly increased the quality requirements pertaining to fodder mixes.

Heat treatment of the constituents is general in capitalist countries because this transforms the starch of the grain into easily digestible carbohydrates. When we consider that in some cases the raw materials are contaminated with fungi and bacteria, heat treatment also serves the eliminate microflora and thus guarantees better quality of the components.

Heat treatment is not yet widespread in the CEMA member countries; but experiments in this regard have been conducted in the Soviet Union. Joint research is now being conducted in the Pecky Fodder Industry and Harvesting Research Institute in Czechoslovakia in regard to thermic and hydrothermic treatment of grain. An interesting innovation is that they include oatmeal, flax-seed, potato flakes, etc. in the fodder mix for selected piglets.

Experiments done with calves prove that steamed barley crushed to the 40-45 percent point results in an average weight increase which is 10 percent greater and results in a fodder saving of 9.6 percent as compared to control calves.

According to the results of experiments done with piglets which have been separated early the weight increase is 33 percent greater using fodder mixes containing barley heated to the point of bursting than it is with members of a control group.

In the Soviet Union they have also studied the use of KMZ-2 extruders. The output of one extruder was 300 kilograms per hour when treating a mix of grain and bran; the cost of the additional treatment was a maximum of 10 rubles, calculated per ton of fodder mix.

Thus the goal for further development is obviously to develop equipment of such capacity that the necessary improvement of product quality can be achieved with minimal cost.

They have also developed in Czechoslovakia experimental equipment suitable for the micronization of grain with a capacity of 250-300 kilograms per hour. Animal experiments with this began this year.

In the Soviet Union they are experimenting on the development of machines which will incorporate various methods of grain treatment (rolling, steaming, scorching, cooling). The coordinated work of researchers, designers, machine manufacturers and agricultural experts will be necessary for the success of these experiments.

Use of Fats in Various States in the Manufacture of Fodder Mixes

Use of liquid and dry fats as energetic components of fodder mixes is a general method in countries engaged in intensive animal husbandry. Various systems have been developed to add the liquid fats. These make possible the continual or periodic additon of the fats to the homogenizers.

When manufacturing bulk fodder mixes the liquid fat goes directly into the mixer in quantities of 1-5 percent. For fodder mixes with a fat content of 10 percent or greater the fat is added in high rpm mixing machines in two installments--in the interest of better homogeneity. In the manufacture of granulated fodder mixes the fat can be added directly in the granulating press steaming equipment.

Considering that the fat content decreases the solidity of the granulate the fat can also be added in such a way as to coat the granules with a fat layer in special equipment. Such equipment, with a capacity of 10 tons per hour, has been developed in the Soviet Union.

Various types of equipment are not used in the CEMA countries to add fats. Some of these are of domestic manufacture and some are imported. They have also developed concentrated fatty supplements.

The supplement generally known in our homeland is "Favorit-50" sold by Phylaxia. This is a concentrated supplement consisting of about 50 percent fat of animal origin and 50 percent chopped, puffed corn; one kilogram of this has a metabolic energy of 6,130 kcal; it can be stored for 2 months. Because of its pleasant taste and good fatty smell animals eat it willingly. It is produced on equipment imported from Holland. Because of its good technological properties it can be used advantageously in the manufacture of fodder mixes because it does not stick together and it scatters well.

In order to save on imports, however, it would be good to study the extruder being sold in the Soviet Union for the manufacture of concentrated supplements.

We attribute great significance to the technology worked out and tested in the Soviet Union for the production of concentrated protein-fat supplements.

The concentrated supplement consists of 40 percent fat; the other components are by-products of meat combines. Its technological properties are excellent and it can be used for all types of animals.

The manufacturing technology extends to preparation of the fat and protein primary materials, emulsionization, drying and pulverization.

At present manufacture is still in the experimental stage but its broad introduction in all CEMA countries promises to be helpful and advantageous.

Specialization of the International Division of Labor in the Fodder Mix Industry

We should say a few words about the trends and areas of our cooperation with the other CEMA member countries also. Within the framework of cooperation with the GDR we are examining primarily conditions for storing fodder mix primary materials and finished products. Research and development cooperation with our Czechoslovak, Bulgarian, Polish and Yugoslav partners pertains primarily to the manufacture of fodder mixes or to product development.

Manufacturing and product development are closely connected to the increase in the efficiency of live work achieved by improving working conditions and to a further decrease in the ratio of hard physical work.

Obviously we must continue and step up the cooperation begun in earlier years. But when putting together cooperation agreements we must keep in mind the most important ministry level tasks pertaining to the industry and the optimal breakdown of special areas, differentiated by countries--to avoid as much as possible overlap and duplication.

The areas of cooperation must be determined as a function of this, with special regard to:

--building up a joint information system,

--planning the exchange of modern solutions (machines, documentation, manufacturing and operational experiences), and

--joint purchase of licenses in the area of the necessary machines and technological solutions.

Economic considerations are the basis for establishing common needs and coordinating needs. Our goal is practical implementation as soon as possible on the basis of a concentration and correct distribution of technical development forces.

Ministry level coordination of long-range and medium-range research and development plans will ensure proportional and planned development and will improve the effectiveness of intellectual capacity.

Preliminary harmonization will provide an opportunity for:

--integration of technological and machine development areas,

--integration of the location and design of fodder mix factories,

--integration of product development, and

--working out and developing location and design guiding principles and norms.

The organized collection of information and organizing modern storage and distribution of information will be useful in the interest of a more effective utilization of intellectual forces. Our countries have the objective possibilities for developing a common data bank.

In regard to information exchange, in our opinion, the agreements to be made with CEMA countries should contain the following themes:

1. Product Variety and Manufacturing Agreements

The types of products have an effect on technology, sometimes influencing the manufacturing system to the level of the machines themselves.

In addition to information exchange pertaining to products, various types of suppl-mentary data are needed also.

We must provide percentage distributions of the product groups according to purpose (poultry, swine, ruminant supplements, etc.); the number of types manufactured per shift or work day; and the product structure broken down to the level of the supplements.

We must know the number and ratio of components and the frequency of their use.

Different manufacturing agreements are possible in regard to product variety according to the endowments of the several countries.

On the basis of manufacturing agreements there are:

--full value supplements;

--concentrates;

--mixes which contain no grains; and

--super premixes (premixes which contain, in addition to minerals and vitamins, the salt, lime and other minor components).

The percentage ratio of the several product groups must be determined as requirements pertaining to the factories. For example, 60 percent concentrates and 40 percent fodder mixes.

In general products should be grouped as follows according to the technological requirements:

--Coarse meal supplements--normal, with liquid components added (for example, fats, molasses) and with adjusted fiber content;

--Granulated supplements--with normal binders (in standard sizes of 3, 5, 6, 8, 12 and 16 mm according to the size of the granulated supplements).

2. Quality Parameters for Products

The organized exchange of quality prescriptions and standards--going beyond the exchange of results achieved in the course of development--will make possible a division of labo- in planned quality improvement also.

There is a close link between quality prescriptions and the development of manufacturing technology. This is well illustrated in regard to size of granules, hardness, resistance to wear or, for example, the particle size of coarse meal products.

Since standardization and quality prescriptions have an economic aspect in every case the exchange of advanced prescriptions in this area cannot always mean their immediate application but this exchange will make possible the systematic management of the data bank containing product development achievements.

3. Grouping Raw Materials

Raw materials should be classified according to quantity and origin. Here also, starting from the technological models, the exchange of information should be organized to show the position occupied in production and the percentage ratio of the several materials.

When grouping according to origin the goal of the information is to survey the importance of treatments which improve the usefulness of the materials and to determine trends in the area of raw material use.

4. Storage Methods

Various factories can have raw material storage areas of different structures--as a function of product variety, the rate at which raw materials arrive, the average size of stockpiles and the ratio of storage areas which can be converted--and the technical parameters pertaining to this are of crucial significance. Knowledge of this is absolutely necessary from the viewpoint of modern construction and assembly technology and from the viewpoint of economy.

In addition to indexes pertaining to construction and construction materials the exchange of information must extend to:

--the degree of instrumentation and automation,

--environmental protection considerations, and

--maintenance requirements.

5. Method of Handling Raw Materials and Finished Products

The way in which materials and products are handled determines to a large extent the efficiency of the plant. As is well known the following can be distinguished within handling systems:

--bulk storage and handling,

--sacked storage and handling, and

--other (for example containerized) storage and handling systems.

Within the several systems the information on technological solutions should be processed to the level of the machines used and to the level of productivity indexes.

The information should include the operational links of the various closed transportation chains and the elements used to realize these.

Systems at various levels can be used to handle sacked finished products--as a function of factory size and taking economicalness into consideration. It would be most useful to communicate the results in the form of flow charts and technical-economic indexes.

In the case of bulk storage and shipment of finished products the information should be provided in the form of a flow chart showing the technological links of the cell groups, to the depth of the output system--including the system and tools used for stockpile records and quality control.

6. Machines and Equipment

The large numbers of machines used in the fodder mix industry are classified according to technological models. The technological models are defined on the basis of the manufacturing system and the production line.

A significant proportion of auxiliary machines and equipment may be used independent of the output of the plant. But it would also be useful to define certain production lines in regard to fittings.

What has been touched on above are the chief themes in the development of fodder mix manufacture and in product development. The central program worked out in the science policy guiding principles also expects from our profession that we will economize rationally with our intellectual forces and will make use of the international division of labor in the area of research and development. In order to increase the effectiveness of international cooperation agreements special attention must be given to tasks and problems connected with the development of the industry and, at the same time, to an optimal division of individual research tasks within the special area.

It is our conviction that one condition for the success of the developments prescribed for the Sixth Five-Year Plan in the institutionalized and long-range development of the close professional contacts tying us to the socialist countries and an ever wider unfolding of the division of labor which has already begun.

8984
CSO: 2500

FIRST HALF 1980 ECONOMIC REPORT RELEASED

Prague RUDE PRAVO in Czech 25 Jul 80 pp 1-2

[Text] Prague, 24 July—In the first half of 1980 the national economy has been developing in accord with the principal guidelines of the 1980 State Implementation Plan agreed on and approved at the 14th CPCZ Central Committee Plenum.

Compared to the first half of 1979, industrial production rose by 3.8 percent, which is in accord with the planned growth trend for the year. Results more favourable than last year were achieved in meeting planned deliveries for the domestic market, exports and capital construction, even though some enterprises failed to meet their tasks especially with respect to production and delivery structure. During the winter, power supply to the national economy was smooth. In accord with the stipulations of the plan, production in the engineering and chemical industries and the sectors processing domestic raw materials increased faster than the mean rate of increase for the entire industry.

Building construction enterprises carried out 3.2 percent more construction work than in the first half of 1979, but failed to attain the planned growth rate. Construction work on capital projects and comprehensive housing construction lagged behind the plan.

Compared to the first half of 1979, in agriculture animal production rose and the planned purchasing of milk and eggs exceeded the plan, but the purchasing of animals for slaughter failed to reach planned indicators and the levels of the first half of 1979.

As of now the qualitative tasks of the plan are being fulfilled only partly. Compared with the first half of 1979, labor productivity rose in industry by 3.2 percent, and in building construction by 2.9 percent; in industry growth was higher than the plan provided for. The proportion of overall expenditures and material expenditures of the output of centrally managed economic organizations has a decreasing tendency, but did not attain the planned level. In the first half of the year this development in industrial

percent for the domestic market, and by 6.6 percent for exports, which increase amounted to 8.1 percent in the case of socialist countries, and 5.3 in that of nonsocialist countries.

Overall, also the expenditure curve of industrial production developed favorably. The proportion of overall expenditures, including the proportion of material and wage outlays of the output volume, was lower both in comparison with the first half of last year, and with the tasks of the annual plan.

But the implementation of production tasks was rather uneven. Overall, the gross production plans of the enterprises were exceeded by 0.3 percent (Kcs 1.1 billion), but 20.3 percent of the total number of centrally managed enterprises failed to fulfill the plan. Heavy engineering, electrotechnical, iron metallurgy and cellulose and paper enterprises encountered the greatest difficulties in fulfilling their production tasks. This uneven implementation of production tasks had a deleterious effect on meeting selected structural and qualitative indicators which since 1979 have constituted the key indicators in assessing plan fulfillment. All selected indicators of the plan were fulfilled by 50.4 percent of the industrial enterprises. Except for the production of fuels and in the metallurgical sector, production increased in all industrial sectors compared with the same period of last year.

Increase of industrial production by planning groups

	1st half of 1980 in percent of 1st half of 1979
Coal Mining	99.5 percent
Heat and power production	108.3 "
Metallurgy including ore mining	99.7 "
Engineering	104.6 "
Chemistry and oil processing	105.2 "
Rubber industry and processing of plastics	106.2 "
Cellulose and paper industry	105.0 "
Construction materials industry	107.0 "
Woodworking industry	106.6 "
Glass, ceramics and porcelain industry	105.2 "
Textile industry	104.3 "
Clothing industry	103.6 "
Leather shoe and fur industry	102.8 "
Printing industry	104.3 "
Foodstuffs industry (Ministry of Food and Nutrition)	102.5 "

In the first half of the year individual sectors achieved the following results:

In the coal industry 61.439 million tons of coal and lignite were mined which is 1.? percent less than in the first half of 1979. The volume of

organizations on the whole is in accord with the plan. The volume of products in the first quality category, and of products which have reached the world technical standard, rose, but their proportion of the overall industrial production remains low.

With the growing volume of capital construction work and deliveries increasing by 5.4 percent over the first half of 1979, the tasks on key projects were also fulfilled better. Deliveries of machinery and equipment proceeded faster than was provided for in the plan, but the increase in construction work lagged behind the plan.

Economic cooperation with the USSR and the other CEMA countries kept intensifying and Czechoslovak cooperation in the implementation of the program of international socialist economic integration increased. The effort to increase the export potential of our economy resulted in the overfulfillment of planned exports, but their planned structure was not quite maintained. Compared with the first half of 1979, the volume of export in foreign exchange rose by 20.6 percent, imports by 15.2 percent.

Compared with the first half of 1979, the income of the population rose by 5.1 percent, and average wages by 2 percent. The level of income and expenditures of the population was affected by the adjustment of retail prices and by measures adopted in the area of social services. Retail trade turnover rose by 5.4 percent. The increase in the sale of foodstuffs was maintained in spite of the less favorable 1979 harvest. The volume of sales of industrial consumer goods increased also. The call for improved quality of goods, a wider assortment of goods offered for sale and the even and uninterrupted supply of goods persists. The number of new apartments built was 35,100.

The overall results achieved in the first half of 1980 are proof of the gradual implementation of the exacting tasks of the last year of the Sixth Five-Year Plan. To insure the fulfillment of the plan raw materials, supplies and power must be used to better effect, quality of products and their technical standard must improve, scientific findings must be implemented in practice faster and the advantages of international division of labor must be exploited to create a favorable basis for the start of the Seventh Five-Year Plan of development of the national economy.

Industry

In the first half of the year industrial production by centrally planned industry rose over the same period of last year by 3.8 percent, i.e. by 0.1 points more than this year's state plan stipulates.

Compared with last year, the degree of fulfillment of planned deliveries for the export and domestic markets has improved. The overall volume of deliveries by industrial enterprises (in wholesale prices) rose by 5.2

black coal mined was 14,455 million tons, of brown coal and lignite, 46,984 million tons.

The annual state mining plan was fulfilled by 49.4 percent. The 6-month brown coal and lignite mining plan was underfulfilled (97.5 percent), but the black coal mining plan was exceeded by 0.8 percent.

In the case of brown coal, the fulfillment of the mining plan was deleteriously affected by the delay in overburden removal at the North Bohemia Brown Coal Mines in Most (SHD Most). The overall shortage in the removal of overburden at SHD Most reached in the first half the volume of 8.? million cubic meters.

Power supply to the national economy proceeded smoothly. Power production reached a level of 36.4 billion kWh, i.e. 8.7 percent more than in the first half of last year. Compared with the same period of last year, overall power consumption rose by 4.8 percent. The biggest increase, 7.6 percent, occurred in the case of big power consumers, which represents an undesirably large rate of increase in power consumption compared with the plan.

Power consumption by small consumers rose by 0.7 percent.

In the metallurgical industry ore mining rose by 1.3 percent, production in iron metallurgy decreased by 0.7 percent, production in the metallurgy of non-ferrous metals rose by 0.7 percent. Steel production amounted to 7.5 million tons, which is 0.5 percent less than in the first half of last year. The implementation of production tasks of some metallurgical products encountered difficulties especially as a result of the considerable decrease in the richness of the ore burden, poorer quality of coke and production equipment breakdowns.

Engineering industry production increased by 4.6 percent, heavy engineering by 2.0 percent, general engineering by 6.2 percent and electrotechnical engineering by 4.5 percent. Higher rates of increase were recorded in the production of machinery and equipment for the textile industry (by 15.5 percent), in tractor production (by 7.1 percent), in bus production (by 10.3 percent), and in the production of household washers (by 8.8 percent). Continuing supply problems had a deleterious effect on evenness and continuity in implementing the production plan of a considerable number of engineering products.

In the chemical industry production rose by 5.3 percent, with the rubber and plastics processing industry recording the highest increase of 6.2 percent. Artificial fiber production rose by 6.0 percent, the production of plastics by 9.9 percent, of nitrogen fertilizers by 11.0 percent and of potassium fertilizers by 15.5 percent.

In the construction materials industry cement production rose by 6.4 percent, lime production by 2.5 percent, production of ceramic tiles by 13.4 percent and of ceramic paving tiles by 2.1 percent.

The overall volume of production in the consumer goods industry rose by 4.6 percent. The biggest increase was achieved in sectors processing primarily domestic raw materials. The woodworking industry increased production by 6.6 percent, the glass, procelain and ceramics industry by 5.2 percent, the furniture industry by 8.8 percent, the cotton fabrics industry by 2.9 percent and the knit clothing industry by 5.6 percent.

The highest rise in the production of foodstuffs was recorded in dairy production, by 7.8 percent, and in the production of oils and fats, by 6.3 percent.

The centrally planned industry employed on the average 2.616 million workers, i.e. 20,000 more than in the first half of last year.

Labor productivity (measured by the proportion of gross production per worker in comparable prices as of 1 January 1977) rose by 3.2 percent, i.e. by 0.4 points more than what the plan called for. The rise in industrial production was affected by 81 percent by the rise of labor productivity.

The median monthly wage of workers in the centrally planned industry reached Kcs 2,723, which is 2.1 percent more than in the same period of last year.

Agriculture

Compared with the same period of last year, the overall favorable growth of winter cultures, and improved yields in animal husbandry in the first 6 months of this year, created more favorable conditions for increasing agricultural production and fulfilling the exacting tasks of the state plan. But this year's weather conditions are delaying work in the fields and retarding growth of the cultures.

Cereals were planted on 2,628 million hectares, i.e. on 97.5 percent of the surface planned by the annual implementation plan; legums on 97.1 percent of the planned area; sugar beets on 100.4 percent; and potatoes on 95.6 percent of the planned areas. Compared with last year, the overall areas of arable land planted in forage crops was increased by 8,000 hectares. Vegetables were planted on a total of 64,000 hectares. But due to cold weather, the shortage of greenhouses and inadequate production of preplanted seedstock, the production of early vegetables has not increased markedly in comparison with last year.

Compared with the numbers of domestic animals in the first half of last year, this years totals, especially of pigs and poultry, showed a slight increase.

Numbers of agricultural animals as of 1 July in thousands

	1979	1980	Difference
Total cattle	4,992	5,056	+ 64
Cows only	1,876	1,877	+ 1
Total pigs	7,648	7,903	+ 255
Sows only	543	559	+ 16
Total poultry	59,927	61,232	+ 1305

In the first 6 months average daily milk yield of cows and egg production increased as did weight gains of slaughter animals while maintaining feed consumption at last year's level. Median daily milk yield of individual cows was 8.55 liters (last year 8.02 liters), median egg production of individual hens 124.6 eggs (last year 122.4 eggs). Compared to the first half of 1979 this year's milk production was 189 million liters of mild and 74 million eggs in excess. This has also had a vavorable effect on fulfilling the timely purchasing of these products and exceeding last year's purchasing volume.

The purchasing plan of slaughter animals was not fulfilled as a result of smaller cattle herds and smaller numbers of pigs for slaughter; compared with last year purchasing of meat (as live weight) including poultry was short by 11,000 tons, while the purchasing plan of dressed poultry was exceeded by 4,000 tons over last year's level. Milk purchasing was exceeded by 193 million liters and egg purchasing by 58 million eggs. Of the overall annual task stipulated in the state plan, purchasing in the first 6 months amounted to 48.6 percent for slaughter animals (including poultry), 51.4 percent for milk and 51.2 percent for eggs.

Forest and water economy

In the forest economy in the first half of this year lumber production amounted to 9.8 million cubic meters lumber, i.e. 53.4 percent of the overall annual planned task. Compared with the first half of 1979, 2.2 percent more lumber was produced and 2.4 percent more was delivered. Lumber from snowbreaks is not being salvaged fast enough.

Compared with the first half of last year drinking water production increased by 28 million cubic meters, overall production was 746 million cubic meters. By the end of the first 6 months 69.8 percent of the population (last year 68.7 percent) was supplied water from public water supply lines, the proportion of the population living in houses connected with sewer lines increased from 55.8 to 57.2 percent.

Czechoslovak Automobile Transportation (CSAD) transported 163.5 million tons of freight by highway or 6.5 million tons more than in the first half of last year. The proportion of solid fuel transported from the coal basin by highway was reduced as planned.

River transportation provided for the transport of 4.7 million tons of goods including 33 percent of this tonnage in steam coal.

Public mass transit transported 1.3 billion passengers or 70.5 million persons more than during the same period last year. CSAD transported 1,087 billion passengers the CSD (Czechoslovak Railroads) transported 211.7 million people. In the first six months 110.5 million passengers used the subway or 5.4 percent more than over the same period last year.

The number of telephones increased by 26,900, the density of telephones was 20.23 telephones per 100 inhabitants.

In the first half of the year the Frydek-Lysa Hora television transmitter was put into operation.

Capital Construction

Compared with the first half of last year the volume of capital construction work and deliveries executed in the national economy (without Action Z and the participation of the population) rose by 5.4 percent; the rate of increase is 2.9 points higher than this year's state plan calls for. The volume of construction work rose by 4.4 percent, and the volume of machine and equipment deliveries increased by 6.7 percent; while the increase in the volume of construction work failed to attain the planned level machine, and equipment deliveries exceeded the plan.

Construction products designated as mandatory constituted a higher proportion of the annual state plan than the other construction projects of the annual state plan by concentrating construction capacities and deliveries on the most important projects. Ensuring the planned rate of construction progress caused some shortcomings in a number of projects due mainly to unsatisfactory site and design preparation, problems in the supply of materials and technol , and shortcomings in management and organization which resulted in del in meeting the completion deadlines of the proje ts.

Capital construction y ed capital assets worth Kcs 44.5 billion, which is 12,3 percent more tha in the same period of last year.

In the first half of the year the following new production capacities went into operation: The Jaslovske Bohunice Nuclear Power Plant V 1--second 440 MW unit; SONP Kladno (United Steel Works, Natioaal Enterprise), billet rolling mills Poldi II--cogging line, semifinished products for AK pipes; Matador Bratislava, transporters; Rako III, Lubna near Rakovnik, production of ceramic tiles; Chodov-Sokolov, trans location of rail line.

Building Construction

Building construction enterprises completed with their own labor construction work amounting to Kcs 39.8 billion, i.e. 3.2 percent more than during the same period of last year. The rate of increase is lower by 1.3 percent than the 1980 state plan provides for.

Fulfillment of the plan by individual enterprises was uneven. Of the total of 232 construction enterprises, 101 construction enterprises failed to fulfull their plans, i.e. 43.5 percent. The fulfillment of indicators of key importance for assessing the degree of fulfillment was unsatisfactory. All indicators were fulfilled by 46 construction enterprises, i.e. by 19.8 percent. This had a deleterious effect primarily on the fulfillment of construction projects in areas designated as preferential and on projects slated for completion this year.

The uninterrupted progress of construction work was affected deleteriously especially by the large number of uncompleted projects, by the inadequate preparedness of the site and design of some construction projects, by shortcomings in the delivery of materials and machinery for construction projects and the inadequate utilization of construction machinery.

With regard to the structure of construction projects the volume of capital construction projects and especially of comprehensive housing construction increased at a slower rate than the plan called for.

Labor productivity of employees of construction enterprises rose by 2.9 percent, or by 1.2 point less than the state plan provides for this year.

Construction enterprises employed on the average 549,000 employees, or 1,300 more than in the same period of last year.

The median monthly wage of employees in construction enterprises amounted to Kcs 2,845, or Kcs 43 more than in the first half of 1979.

Transportation and Communications

In the first half of 1980 public freight transport facilities transported 310.1 million tons of goods, with 141.9 million tons carried by railroads.

Freight transported by the railroads amounted to 117.6 million tons, a 2.3 percent increase over the first half of last year. But of the principal types of freight, the planned volume of transport of solid fuels and ores, metallurgical and engineering products remained unfulfilled mainly due to the failure to fulfill the plan by these sectors. As for qualitative indicators, the average freight car loading and work output per locomotive have improved. The other indicators, especially the average turnover time of a freight carrying unit, and the standard maintenance time per car, developed unfavorably compared with planned stipulations.

Foreign Trade

Intensifying economic cooperation with socialist countries on the basis of the Comprehensive Program of Socialist Economic Integration is of vital importance for the development of foreign trade. The exchange of goods with CEMA member states rose by 9.9 percent over the first 6 months of 1979, the increase in trade with the Soviet Union amounted to 12,9 percent. The trend and volume of foreign trade were markedly affected by rising prices in world markets, especially in relations with nonsocialist states.

Growth rate of foreign trade in the first half of 1980 (first half of 1979 = 100)

Total export	120.6	Total import	115.2
of this:		of this:	
to socialist countries	112.2	from socialist countries	108.2
to nonsocialist states	134.7	from nonsocialist states	127.5

Overall, on the whole the state import plan is being fulfilled. But the plan goal for the export of engineering products remains unfulfilled even though their export has increased. The shortfall in the export of engineering products was partly compensated by the export of other than engineering products.

The Standard of Living

Compared to the first half of last year the number of individuals employed in the socialist sector of the national economy (minus JZD's [unified agricultural cooperatives]) rose by 65,000 (by a percentage point) to 6.53 million individuals. Almost 300,000 women were on maternity leave. In the first half of 1980 employment rose faster than the state plan provided for. The highest increases in the number of workers were registered in the sectors of education, health care and domestic trade.

In the first half of 1980 the total monetary income of the population reached the sum of Kcs 172.7 billion, or Kcs 8.3 billion, i.e. 5.1 percent more than in the comparable period of last year.

Monetary expenditures by the population rose by 6.6 percent. The increase in deposits and ready cash of the population amounted to Kcs 7.5 billion. State savings institutions granted loans in the amount of Kcs 4.8 billion.

Over the past 6 months retail trade turnover by all trade systems rose to Kcs 119.9 billion, i.e. by 5.4 percent more than over the same period of last year.

With the exception of meat and meat products food supply was on the whole even, the supply of milk and milk products improved as a result of higher production and purchasing.

Regarding industrial goods, also in the first half of this year, the demand for some textile products--primarily knit clothing, cotton goods, bedding, rugs and some types of children wear--exceeded supply. Also shoes for social occasions and fashionable shoes were in short supply. Regarding appliances and durable goods, there was a shortage of both automatic and semiautomatic washing machines, as well as large refrigerators, cassette recorders, recorder cassettes and types, bicycles, sewing machines, some types of furniture and other goods.

In housing construction 35,140 apartments were completed from the beginning of the year till the end of June, which is 2,198 apartments less than in the same period of last year.

Of the total number of apartments built 8,746 were built by communal construction, 12,132 by cooperative construction, 4,875 apartments were built by enterprises and 9,387 by individuals. Compared with the same period of last year, the number of apartments built by communities and enterprises increased. Construction starts numbered 43,976 apartments.

The natural population increase was 32,000. Live births totalled 130,000 children, i.e. 12,000 less than in the same period of last year. Overall there were 54,000 marriages and 16,000 divorces. By the end of 1980 the population of the CSSR was 15.311 billion.

8664
CSO: 2400

IMPROVEMENT OF WORKING CONDITIONS URGED

West German Commentary

Bonn IWE-TAGESDIENST in German No 107, 17 Jul 80 p 2

[Report from Berlin: "GDR Industry Should Improve Working Conditions" A translation of the East Berlin DIE WIRTSCHAFT item referred to below follows this commentary]

[Text] In its issue No 7, 1980 the East Berlin DIE WIRTSCHAFT criticized managements of GDR enterprises for their lack of concern for the improvement of working conditions. The journal bases its claim on representative spot checks which disclosed working conditions characterized only by descriptors such as "hard physical labor," "unhealthy environment" and "monotony." Such conditions exert a strong negative influence on the workers' performance, which would improve markedly if the work were made easier and more interesting. Therefore, informed planning of work content and working conditions is of inestimable economic social and political importance.

Conditions Affect Production

East Berlin DIE WIRTSCHAFT in German Vol 35 No 7, 10 Jul 80 p 19

[Article by K. Grehn and K.P. Schwitzer, Institute for Marxist-Leninist Sociology, Humboldt University, East Berlin: "Work Should Stimulate Achievement Efforts"]

[Text] The SED program calls for changing work content to foster the workers' productive drive, initiative, collective spirit, striving for education, social responsibility and cultural standard.

Work attributes (work content, working conditions) are of key importance among the fundamental factors which in the last resort determine the activities of individuals and their position in a socialist society.

Work content is determined by the function or position of individual workers and collectives within the framework of division of labor in the reproduction process; these characteristics at the same time largely govern

working conditions. Different working conditions place different demands on the knowledge, knowhow and behavior of workers. They broaden or restrict the development of individual abilities, skills, needs and work-related expectations.

Working Conditions Determine Working Behavior

Managers must take the above fact into account with the purpose of assessing an individual's working behavior as an indicator of the specific measures to be taken in arranging work site conditions and as a means of discovering the causes of differences in the behavior of workers. Unequal social demands arising from different work content and working conditions represent at the same time unequal opportunities for personality development, participation in activities, development of drive for achievement, initiative and productivity.

Acting through subjective determinants, of which the attitude towards work is the most important, these factors have an indirect impact on developing a drive for achievement, initiative and productivity. Therefore, managers must focus on the gradual transformation of work and thereby foster the development of the socialist attitude to work.

A conflict exists between the development of work content and working conditions. On one hand ever more advantageous material conditions are being created by remuneration for demanding, personality-enhancing jobs. On the other hand continuing mechanization and automation of production reproduces monotonous and unstimulating jobs and creates new ones possessing such attributes. To foster productivity means consciously to combat this latter tendency. Beginning with planning and construction, work content and working conditions must be arranged by the adoption of appropriate measures in the part of the plan dealing with working and living conditions and the scientific organization of work, which will place greater and broader demands on the workers' qualifications, intelligence and productive potential. By appropriate management workers performing simple heavy physical work must always be made to feel that their contribution in the work process is likewise important. Implementing the objective of achieving high productivity in the socialist society, gradually changing job characteristics and working conditions in order to satisfy rising expectations of workers calls for an intimate knowledge of socially differentiated strengths and weaknesses of the collectives and fellow workers by the managers.

This knowledge must start from the fact that individual social groups, collectives and workers have different needs and expectations with respect to job characteristics and working conditions depending on age, sex, differences in qualification and educational background and finally also the actual characteristics of the work.

Essentially, the complex of work content and working conditions (objective physical and mental requirements of the work, relations within the collective, type of work function etc.) determines the degree of productivity

which the worker will and can develop, the level of personality development, the attitude towards work, motivation, involvement in economic and political activity, needs, use of leisure time, attitude towards professional advancement and other factors.

The analysis of the results of our study on the relationship between characteristics of workers' activity as described by themselves (multiple entry) and other factors yielded the following general findings. (The functional aspects of work taken into account by us do not exist and act as autonomous factors in the work process. They are closely connected with each other and with other factors as functions of educational level, qualification, age, etc.)

The characteristics "mentally demanding" and "increased" responsibility have an unequivocal stimulating effect on the drive for high achievement. Initiative and creativity are other such characteristics. Work content and working conditions characterized by descriptors such as "hard physical labor," "unhealthy" and "very monotonous" correlate with traits incompatible with "socialist" behavior.

The workers polled whose work content or working conditions were characterized as poor expressed more frequently and emphatically a desire for these characteristics to be changed. Those whose work content or working conditions were characterized as good expressed increasingly the wish for these characteristics to be enhanced.

The study revealed that workers whose work was mentally demanding, characterized by responsibility for other people and material goods and required many years of experience felt only seldom that their work was "very monotonous." These workers were also found to be happiest in their jobs. As groups, work brigade leaders, foremen and engineers in the enterprises investigated by us whose work characteristics were "richest and most interesting" were also the groups with the most highly developed social activities and the most politically involved. This is among other activities reflected in their participation in management and planning, in their attitude towards work, their striving for advancement, their value system, motivation and use of leisure time. That work is also a determining factor for leisure time use is evident from the fact that the latter is dependent on work characteristics and the attitude towards work.

As a rule work content and working conditions act as stimuli stabilizing the socialist attitude towards work and as factors enhancing socialist motivation. This finding is confirmed by the observation of significant differences between individuals who by their own admission are engaged in hard labor and those whose work is physically not demanding in their general attitude towards work and leisure, their interest in and reasons for continued professional education, their motivation for participating in planning and their striving for high productivity. The principal motive given by individuals whose work was not physically demanding for participating in planning discussions was more frequently their interest

in the good standing of their enterprises. Individuals engaged in hard physical labor named more frequently their interest in wages and bonuses as their motivating factor.

A similar difference came to light in answer to the question for reasons underlying the striving for high achievement. Among those giving as their primary reason the desire for higher wages were likewise more frequently workers performing hard physical labor, while the other group more frequently named the social importance of the work as their motivating factor.

Work content and working conditions are closely related to the perception of the purpose of life and the human striving for self-fulfillment through work. The above findings are of considerable importance for productivity. They demonstrate that work content and working conditions are not only apt to act as work stimulants, trigger initiative and enhance productivity but that they at the same time bring workers pleasure in their work, engender a feeling of wellbeing and foster the adoption of a socialist attitude to work. Therefore, informed planning of desirable work content and working conditions in economic units and their conscious implementation in day-to-day management is of key importance.

Desirable Work Content Stimulates More Productivity

Work as a stimulant of a socialist attitude to work, the striving for achievement, initiative and productivity, is gaining increasingly in importance as a factor stabilizing the will to work and produce. Differences in attitude to work are also directly related to differences in work content and working conditions. When work alone acts as a stimulus for socialist working behavior, striving for high output, initiative and productivity, then these facts must also be taken into account in the planning of measures designed to stimulate productivity. Not only material incentives but also desirable work content and working conditions must be consciously fostered as factors stimulating output. This is true especially in light of the fact that changes in work content and working conditions have a longer-term, longer-lasting and more stabilizing effect on attitudes to work, the striving for achievement, initiative and high productivity.

The study also reveals that greater emphasis must be placed on the development of desirable work content by managers. In many places this task is already being inadequately dealt with in the preparation of the part of the plan dealing with working and living conditions which provides for only unilateral changes of working conditions (health care, work hygiene, provisioning, cultural and sporting activities, etc.). The most difficult and important task in providing desirable work content is the enrichment of work with elements that stimulate mental creativity.

8664
CSO: 2300

FRENCH PRESS NOTES RAKOWSKI'S 'POLITYKA' ARTICLE ON ECONOMIC SITUATION

Paris LE FIGARO in French 7 Jul 80 p 12

[Article by Bernard Largueritte: "Poland: Heated Debate on Reform and Future of the Country"]

[Text] Warsaw--A certain tension continues to make itself felt in labor circles, following the increase in certain meat prices decreed by the authorities. Today, however, public attention is centered on the very important article published by Mr Rakowski, member of the party's Central Committee, on the front page of the weekly POLITYKA, of which he is the editor-in-chief.

This is certainly not the first time that Mr Rakowski, known at the same time as a decided Sovietophile and as the most eminent representative of what is termed here "intelligent-faced socialism," has declared himself in favor of the democratization and liberalization of the system. Last year, FIGARO presented to its readers an interview with, then an article by, the editor of POLITYKA. This time, however, Mr Rakowski has unquestionably gone further than heretofore.

The solemn appeal he has addressed to the country's leaders and to the country as a whole urges action on three fundamental issues:

1. Poland's disastrous economic and social condition: The end of the decade just completed "has seen appear, in the economy and the social life of the country, negative phenomena that cannot be ignored." Poland's economy is stricken "by many severe illnesses, the consequences of which are being suffered by the workers." In effect, "efficiency of management has dropped (...), industry and agriculture are unable to satisfy the growing, but certainly not excessive, needs of the population (...), the management mechanisms operate poorly, frequently against all good sense. The statistics are sometimes manipulated, work discipline is declining instead of growing, hundreds of thousands of producers are showing their "don't give a darn" attitude daily, the limitations on production as a result of the lack of raw materials or energy are not conducive to taking work seriously,..."

As a result of all these ills, Mr Rakowski continues, national revenues dropped more than 2 percent in 1979, construction plans were not implemented, and "supplying of the population with staples--not just meat--is not improving." "The list of people awaiting housing is growing (...) as are the waiting lines at the stores." The country's substantial foreign indebtedness is of no help whatever, the more so since most of the country's exports are being used to service this indebtedness.

2. The need to tell the people the whole truth: This situation absolutely requires, according to the editor-in-chief of POLITYKA, the start of a genuine dialog with the country. At present, a non-negligible part of the population is unaware of the seriousness of the economic, and therefore social, situation." In effect, "public opinion has not been prepared psychologically to bear the sacrifices that we shall all have to endure." It is therefore necessary "to present to the population, courageously and coherently, the real economic situation of the country." and to tell the people that, on the one hand, "even the maintenance of its current level will demand a simply extraordinary physical and intellectual effort," and that, on the other hand, "at least during the first half of the 1980's, the country will find itself in a difficult economic situation." Poland, the author concludes, "is entering a developmental phase in which a real sacrifice and a serious concern for the situation have become indispensable."

3. The urgency of a radical reform program: To overcome the present crisis, "the vital national interests demand (...) a speed-up in the implementation of a complex plan of structural changes in the leadership and management of the national economy." They demand also the start of "a well conceived decentralization." Of course, the institution of reforms is not an easy matter, above all when the material situation is difficult, but there is, according to Mr Rakowski, no other choice. This program must be designed for presentation to public opinion, since only "a clear program of structural reforms, easily understood by the workers and demanding of exceptional courage" will enable the creation throughout the country of an improved psychological climate. The editor-in-chief of POLITYKA even suggests making use of the referendum method to obtain the opinion of the public on this or that question.

Clearly, in the grave situation Poland is now traversing, the debate on the nation's future is now largely under way within the party itself. There can be no doubt that Mr Rakowski's appeal will be loudly echoed in public opinion. It could even strengthen its author's chances to play a prime political role in the not too distant future.

9238
CSO: 3100

FRAUDULENT USE OF MATERIALS, TRANSPORT, LABOR FOR PRIVATE CONSTRUCTION

Paris LE FIGARO in French 1 Jul 80 p 12

[Article by Bernard Margueritte: "Poland: Operation 'Pavillons'"]

[Text] Warsaw--Theft of materials, fraudulent haulage, use of labor and machines belonging to a state-owned enterprise for the construction of private villas and dachas--it took the Polish militia a 2-day operation, baptized "Pavillons," to learn what has long been known to everyone in Poland, namely, that these evils are exceptionally widespread throughout the country.

The inquiry brought to light thefts of materials totaling over 2 million zlotys (around 250,000 francs). More that one-fourth of the dachas and villas inspected had been built without legal authorizations of any kind. In many cases, the executives of state-owned enterprises made fraudulent use, for private purposes, of bricks, cement, machines and workers who were supposed to be engaged in some public project.

On the construction site of a villa for the manager of a cooperative, for example, 200 radiators, 1,000 meters of pipe, and 150 square meters of flooring were found, for which the manager could not produce invoices. A whole group of engineers and management personnel of a major enterprise in Wroclaw had robbed the state of more than 5 million zlotys of various materials over a period of 3 years. The manager of a rurally located warehouse was releasing everything she received--bricks, sheet steel, pipe --to three haulers who disposed of them on the black market with a return for her. The operations manager of a major enterprise was using the laborers assigned to his enterprise to build his own villa.

This inquiry by the militia is further evidence of the determination of Mr Babiuch's new government to take action against the many such frauds and against the use of their functions by certain personnel for private ends. It must not be thought, however, that these massive thefts of state property reflect a particular tendency on the part of the Poles to resort to this kind of procedure. Very frequently, it is simply the existing system itself that leaves them no option but to do so.

Three Times the Normal Price

The government authorities are issuing many more building permits than can be fulfilled by way of materials available on the market. In most cases, those materials are not obtainable on the open market; they are allocated to a certain number of those who have submitted a prior written application. The others, that is, the vast majority, are compelled to shift for themselves. A Warsaw friend of mine told me that, to repair a wall that was collapsing on his property, the only way he had been able to buy the gravel he needed had been to stop trucks on the road that were hauling gravel to the site of some road construction. "The driver," he told me, "would agree to drive his truck to my home, the price having been agreed in advance, to include what would also have to be passed to a militiaman he might encounter on the way." And he added, "That is what everyone does. There is no other solution." Another interlocutor told me of having bought his cement at three times the state price from a hauler who would get it from a rural warehouse where, strangely, it was on open sale theoretically to serve the farmers of the region.

The action of the militia indicates that the authorities intend to put an end to these practices. But it is probable that fear of the police will not suffice. Punishment will serve virtually no purpose unless the system is changed fundamentally. The daily ZYCIE WARSZAWY rightfully points out that a person in the midst of constructing a legally authorized villa and finding himself short of cement is almost automatically placed on a collision course with the law. One solution would be to issue the construction materials at the same time as the building permits.

9238
CSO: 3100

APPLICATION OF NEW ECONOMIC MECHANISM STUDIED

Necessity of Market Analysis

Bucharest REVISTA ECONOMICA in Romanian No 27, 4 Jul 80 pp 13-14

[Article by Eugen Barat: "The Requirements of the New Economic Mechanism in Industry-Trade-Consumer Relations"]

[Text] In conformity with the provisions of the new economic and financial mechanism, the enterprises that produce consumer goods and the commercial enterprises are economic units with equal rights and duties, subordinate to a unified system of economic regulations, including incentives, that harmoniously combines the satisfaction of the enterprise's interests and society's general interests. The concluding of the economic cycle for the goods produced by industry and taken over by trade is conditioned by the correspondence between the "supply" of industry and the concrete demands of trade, that is, of the consumers. In consequence, the achievement of an efficient economic activity both in the producing factories and in the commercial enterprises depends on the knowledge of the market's requirements and on the degree to which the economic activity is based on these requirements. These considerations are also found in the tasks mapped out in the decision of the plenum of the RCP Central Committee on 22-23 March 1978 that the producing units (ministries, centrals and enterprises) shall study the market's requirements.

The Production-Demand Correspondence Means Above All a Saving of Resources

The task of the study of the market by producers is posed differently when the enterprise in question is the only one that produces for the market supply or when there are many suppliers. In the first case, the task of establishing and meeting the market's requirements in terms of volume and structure, quantitatively and qualitatively, devolves upon the sole

producer and upon trade. When there are many producers--the most frequent case--it is necessary: a) to establish the market's requirements regarding the quantities and assortments of goods; b) to distribute these tasks among the producers.

The solving of these problems, under the conditions of the organizational structure of our national economy, not only devolves upon the producing units but also entails the participation of the Council for the Production of Consumer Goods, the Supply Council, the councils of representatives of consumers, the Ministry of Domestic Trade, and the producing ministries, within the framework organized for this purpose.

One comes to the obvious conclusion that the economic relations between trade and production lead to the achievement of suitable efficiency from the viewpoint of society's general interests only if, in the orientation and structure of the production of consumer goods meant to supply the domestic market, close and systematic collaboration is achieved between the two spheres of the process of social reproduction: production and exchange. It is a question not only of provisional decisions, of short-term effects, but also of collaboration in making the broad decisions, such as the founding of new production capacities. The efficiency of the new capacities depends on the correspondence of the installed equipment with the domestic market's (and, of course, also the foreign market's) current requirements and those for a certain perspective for a longer period of time. A piece of equipment, however improved, will not achieve suitable profitability if the products that can be obtained with its help do not correspond to the demand or if the quantities that are produced, although corresponding qualitatively and functionally to the demand on the domestic market, exceed quantitatively the volume of this demand. This is thus how the studying of the absorption capacity of the domestic market in terms of structure and volume conditions decisions of the greatest economic importance, such as those on investments.

Who Should Procure the Information?

In order to more and more efficiently apply the provisions of the new mechanism, in connection with studying the market's requirements it is necessary to answer the question: Who should study the market's requirements?

Each producing enterprise, big or small, is subordinate from an economic viewpoint to the same regulations regarding self-management, self-administration and self-financing and, especially, regarding the achievement of collective and individual incentives, depending on the results obtained. If these results also depend on the extent to which the enterprise knows the market's requirements and organizes its economic activity in correspondence with them, one must accept the conclusion that each producing ministry, industrial central and enterprise must perform this function. Moreover, starting from this knowledge, it is necessary to form a material and organizational framework in which the industrial enterprises can

respond, within the limit of the production capacities, raw materials and supplies that they possess, to any rational demand presented by the commercial enterprises. Of course, knowledge of the market's long-term trends favors an organization of the activity of the producing enterprises that is receptive to the consumers. It thus follows that the organization of marketing studies either at the level of each producing enterprise or at the level of the industrial centrals or the producing ministries, as the case may be, is required for providing the conditions imposed by the new mechanism.

Another variant that can be considered is that of organizing the studying of the market by specialized (consulting) institutes or enterprises that furnish the necessary information to the producing enterprises, the commercial enterprises and all the organizational links that need such information.

Until now, the problems in this field have not been posed strongly enough, especially due to the fact that in many cases the economic decisions made at the level of the producing enterprises were consequential decisions, and the partner in collaboration--trade--even if it had information about the market's requirements, was not able to utilize it to a sufficient extent. For these reasons, the producing enterprises have developed, only to a slight extent in recent years, some concerns with regard to studying the market's requirements, a phenomenon that has been reflected particularly in the employment of market research and of monographs on products by centrals and enterprises.

Along this line of thinking, it is possible to regard as a positive phenomenon the fact that in the specialized literature there is more and more intense discussion about the need to make studies on the demand (marketing) at the level of the producing enterprises. The formulation of categorical proposals in this regard entails theoretical and practical discussions, an analysis of the existing situation and a close look at the new phenomena that are appearing in all areas of the national economy as a result of the application of the new mechanism. We feel that the following variants can be advanced and discussed:

a) The organization of the making of market studies at the level of each enterprise that produces consumer goods by means of which there is pursued the obtaining of information about the market's requirements for its own products, the behavior of the products in use, and the possibilities of increasing the economic efficiency by this means;

b) The organization of the study of the market at the level of the industrial centrals, in order to provide the necessary information about the market's requirements for the goods made by the enterprises belonging to the respective subbranch, the trends and the reorganization on the domestic and international markets. These areas must provide the necessary information flow from and to the enterprises, carrying information obtained by

means of their own research and by means of research done by the specialized, departmental institutions. The information about the different aspects of the requirements of the domestic and foreign markets that can be obtained from other ministries that have similar information systems should also be included in the information flow;

c) The organization of the study of the market at the level of the ministries that produce consumer goods, in two directions:

Regarding the opinions of the customers about the qualitative properties of the products, regarding their improvement and regarding the introduction of new products into manufacture;

Regarding the qualitative manifestation of the demand on the market for the products made by the subordinate enterprises. In order to provide the necessary information, the producing ministries should organize the research activity within their own apparatus and that of the subordinate units and also achieve close collaboration in this field with the specialized institute (later, institutes). It is a question--in the light of the tasks provided in the decisions of the plenum of the RCP Central Committee with regard to the new mechanism--of devising and operating an information subsystem regarding the market's requirements within each ministry that produces consumer goods.

Along with this form of organization of the study of the market's requirements along the line of the producing ministries--with a view to more and more efficient collaboration--it will also be necessary to expand the system for studying the market's requirements along the line of the apparatus of the Ministry of Domestic Trade and, eventually, the ministries with commercial systems, through institutes specializing in this field. The latter will have to turn from research performed on request to systematically organized and performed research with a permanent character for producing useful information--research that they will offer in advance to the commercial enterprises and to the entire economic apparatus with decisionmaking powers in the activity of marketing consumer goods.

The Cost of the Information--a Minute Percentage of the Potential Losses

With good reason, it is possible to raise the question of the cost of the information that will be obtained in the structures called upon to substantiate economic decisions, at the level of the organizational links, including the producing ministries and those with commercial systems. It is clear that the acceptance of the necessity of the information and of the specialized activity for this purpose also means the acceptance of the idea of expenditures that will have to be made at the level of the various organizational links. What we want to subject to discussion is the question of the rationality of the costs, of their economic and social efficiency.

In connection with this question it is possible to mention a variant that could constitute the starting point for some steps that will be taken in

the future. The market research by ministries could be handled, at least for the first stage, within the existing organizational setups (by hiring personnel for or orienting personnel toward such problems), it thus happening that only the research done by the specialized institutes would add to the costs of the enterprises and centrals. Of course, this increase in costs must provide higher profitability than that at present and higher efficiency, both at the level of the enterprises and at that of the whole national economy.

The calculations in this regard are quite complex, since the reflection of the results of an activity of production and marketing based on the market's requirements has many aspects. Their quantification can be done in advance, on the basis of comparisons with the past and, respectively, with certain scientifically devised standards in this regard. There are also some effects with long-term influences--for example, in the investments for expanding the material base for the production of consumer goods and the trade network.

The immediate results can be concretized in: contracting for goods in conformity with the real requirements; the organization and orientation of production in order to meet them; a lower level of slow- and hard-to-sell stocks; and the better satisfaction of the requirements of the consumers. This latter effect has a multiplicative character, in the sense that, along with improving the quality of life of the members of society, it also leads to an increase in labor productivity and in the efficiency of the activity throughout the economy.

Since the requirements of the new mechanism operate in all areas of economic and social activity, it seems necessary to organize an information system (subsystem) regarding the consumption demand on the scale of the whole national economy, a premise for the scientific organization of the activity of production and marketing. This system must function with as low costs as possible but must provide suitable efficiency both for production and for trade. The system so conceived and devised must respond from the outset to the following main requirements:

a) That of identifying the information flows that can serve the goals pursued with regard to knowing the market's requirements;

b) That of establishing new information sources and flows that must be introduced and new, special information needed in this field;

c) That of organizing and coordinating the activity of all the links that issue and receive information coming from all the sources (mandatory reports or special research);

d) That of redesigning the information subsystem regarding the studying of the market's requirements, basing it on the current technical possibilities and creating for it the prospect of later improvement as a result of expanding the equipping with computer hardware;

c) That of organizing the preservation and updating of the basic information within a data bank.

We stress that from the viewpoint of suitable efficiency in the functioning of the system it will also be necessary to establish powers and responsibilities, there being provided sufficient initiative for departments and enterprises and suitable functionality on the scale of the whole national economy.

The problems set forth, in order to be subjected to discussion, take into account the requirements resulting from the unfolding of the scientific and technical revolution in our national economy and from the provisions referring to the application of the new mechanism in this field. At the same time, they constitute a part of the requirements for and possibilities of scientific management in the production and marketing of consumer goods, in order to obtain greater efficiency. The application of the new mechanism constitutes a premise for achieving high rates in economic and social development, in growth of the production forces of our society and in continual improvement of the quality of life of all its members.

Importance of Enterprise Liquidity

Bucharest REVISTA ECONOMICA in Romanian No 27, 4 Jul 80 pp 15-16

[Article by Ioan Trenca: "The Enterprise's Liquidity--at the Basis of Financial Equilibrium"]

[Text] The implementation of the tasks of great importance with regard to thoroughly studying the qualitative aspects of all economic and social activity and utilizing all the resources of society with maximum efficiency necessitates the extensive mobilization of all the production factors on all organizational levels of the national economy.

In the light of the tasks mapped out at the work conference in the RCP Central Committee on 29-30 March of this year, special tasks devolve upon the economic units based on worker self-management and economic and financial self-administration, especially as they represent the basic link of the national economy, the organizational framework in which the new material values are created. They must make an essential contribution to the steadier application of the principles of the new economic and financial mechanism, to the continual growth of profits and the raising of profitability, to the providing and maintenance of financial equilibrium, to the efficient and more highly productive utilization of the resources that they possess, to the respecting of plan, financial and contractual discipline, and so on. These things represent all so many aspects of the new quality, which has become an imperative in the current stage of development of our country and which must stand with priority in the center of the general attention.

The application of economic and financial self-administration requires each economic unit to perform its production activity in such a way as to ensure

the full and efficient use of all the material and monetary resources that it possesses and to meet its need for means mostly from its own resources, abandoning as much as possible the employment of additional resources from outside. This puts in the center of attention, on the one hand, the problem of the quality of the management of the funds of the units and, on the other hand, the necessity of continually increasing the responsibility of the staffs of working people and the financial and banking bodies for the way in which this management is provided and done.

All these things necessarily require, in their turn, the existence of suitable methods and means of accurately judging the efforts that the enterprises and their work staffs make to continually raise the quality of the activity and, implicitly, to properly manage the funds and to provide and maintain financial equilibrium. This is especially because the rational and efficient management of the funds and the providing and maintenance of financial equilibrium are essential conditions for the proper functioning of the enterprise's financial mechanism.

The application of the new economic and financial mechanism implies, among other things, continual improvement of all the standards and norms, of the economic and financial indicators and of the methods and instruments used in financial activity, as a natural result of comparing them with practice. In this context, we intend to approach the problem of the enterprise's liquidity, which can serve as a means of characterizing from a qualitative viewpoint the financial activity performed and, implicitly, the unit's effort to fit into the complex mechanism of the national economy.

In a traditional sense, liquidity means "the capacity of assets to be transformed into money at a certain time." Extended to the level of the enterprises, it expresses their capacity to mobilize the assets that they possess, that is, to transform them into money.

In order to perform its activity, any socialist enterprise concretizes its monetary funds in assets which it manages and which, by virtue of the objective B-M-B /expansion unknown/ circuit, are to be transformed into money in a longer or shorter period of time, thus creating the possibility of concluding a circuit begun, but also that of resuming a new circuit. In consequence, any producing enterprise has, objectively, a certain liquidity, it being generated by the material and monetary flows that the performance of production activity occasions. It differs from one enterprise to another, it being determined by the quality of these flows, by the characteristics of the production process, by the regularity of production and, implicitly, by the manner of management of material and monetary resources.

The socialist enterprise's liquidity defines its capacity to transform the assets that it has into money at the appropriate time, in order to provide a normal circuit to its funds. Liquidity cannot be ignored when it is necessary to characterize the quality of the financial activity in general and the providing and maintenance of financial equilibrium in particular.

Looking at the phases of the circuit of the enterprise's funds, and especially the circulating funds, one observes that liquidity connects its sphere of applicability with the period of concretization of the monetary funds in elements of assets and with the times that concern the finalization of a circuit, that is, with the times at which the enterprise recovers its advanced funds by utilizing its production. As the funds are advanced and recovered continually, the enterprise will continually have a certain structure of its assets that have a different degree of liquidity, which will characterize the enterprise's general state of liquidity, that is, its capacity to possess monetary resources obtained by transforming these assets into money.

Hence the conclusion that liquidity cannot be confused with solvency, which characterizes the enterprise from the viewpoint of its possibilities of coping with payments falling due. On the contrary, liquidity becomes a decisive factor in the providing and maintenance of solvency, since most of the monetary resources needed to make future payments are obtained by means of it. Depreciated liquidity negatively influences solvency, with the enterprise no longer being able to obtain monetary resources in the desired amount by transforming its assets into money.

As liquidity is given by the structure of the assets, it can be judged that by means of solvency there is a contribution to the obtaining of a certain liquidity of the enterprise in the next circuit, precisely due to the way in which the funds will be readvanced and concretized in elements of assets by performing the act of payment. It is natural for the enterprise's liquidity to depreciate in proportion to the concretization of its funds in those elements of circulating funds whose rotation is interrupted or occurs slowly, such as idle stocks, stocks supplied in excess of the consumption needs in a given period, stocks of unfinished production and of finished products without sale ensured, uneconomical expenditures, clients not collected from on schedule, debtors of any kind, and so on. Their existence reflects deficiencies in managing the funds and puts the enterprise in the position of having difficulties in moving its funds from one stage of their circuit to another. In such situations, the enterprise must take immediate steps that lead to the restoration of its liquidity, especially by eliminating the causes that led to the immobilization of active funds with a low degree of liquidity.

Hence the conclusion that the enterprises must be interested not only in exemplarily fulfilling the plan targets but also in providing suitable liquidity, this reflecting very accurately the way in which the monetary funds put at their disposal have been managed.

At the same time, the enterprise's liquidity, being given by the structure of the elements of circulating funds, that is, of the needs, represents a form of manifestation of the financial equilibrium found in its dynamics. Such an assertion is based on the fact that, in establishing by means of the income and expense budget the equilibrium between the need for

circulating funds and the monetary resources, the enterprise had in view a certain structure of the needs, a structure that, in its turn, determines a certain liquidity. As a result, any depreciation of liquidity in relation to the level provided by means of the income and expense budget reflects in fact a depreciation of the equilibrium between needs and resources, reflects a depreciation of financial equilibrium.

In order to provide and maintain financial equilibrium the enterprises must be interested in determining and maintaining a level of liquidity regarded as optimum for a planning period, a level given, in its turn, by an optimum structure of its circulating funds, foreseeable at the start of the period.

The establishment and maintenance of optimum liquidity is imposed by the fact that not just any level of it has favorable implications regarding the course of the production process, that is, regarding the functioning of the economic and financial mechanism. The existence of a structure of the circulating funds in which the main percentage goes to assets of the first degree of liquidity, that is, monetary resources in cash and in credit, and even assets of the second degree--invoices issued and not called in, finished products in stock with sale ensured in the immediately following period, and so on--which would generate relatively high liquidity, could be to the detriment of the resources meant for direct processing. That is, by means of these assets easily transformable into money, the enterprise could have at a given time a volume of monetary resources in excess, without having in exchange the stocks of materials and supplies, spare parts, inventory items and so on provided at the level imposed by the needs of production, without making at the appropriate time and in the desired amount a number of strictly necessary expenditures, and so on, all these things influencing negatively the proper performance of the activity. On the other hand, the growth of the percentage of assets with a low degree of liquidity puts the enterprise in the position in which it, having excess stocks for production, cannot ensure their transformation into money at the appropriate time and, as a result, has financial difficulties. For the most part, such situations are "resolved" by drawing additional resources, and especially borrowed ones, into the enterprise's circuit, in order to create the possibilities of future payments, which is not compatible with the efficient management of resources.

It can be judged that an enterprise's liquidity is all the higher as the transformation of its assets into money occurs more rapidly and more frequently in a given period of time. However, this rapidity is given precisely by the duration of concretization of the monetary funds in various elements of assets. In other words, it depends on a rotation's duration in days. Hence the conclusion that a decisive role in providing and maintaining the enterprise's liquidity goes to the continual acceleration of the speed of rotation of the circulating funds. This presupposes continual concern on the enterprise's part for initiating and applying technical and organizational measures that involve the whole supply-production-sales process, for the purpose of reducing as much as possible the duration of immobilization of its monetary funds in various elements of assets.

The manner of quantification, that is, the construction of an indicator model that serves to establish the level of liquidity, represents one of the essential aspects that the study of the enterprise's liquidity raises. In constructing such an indicator it is necessary to take into account in particular the degree of liquidity of the various elements of assets that an enterprise has, the rapidity with which they can become liquid under certain given conditions. In this regard, we propose the following model:

$$K_l = L/MC$$

where K_l is the coefficient of the liquidity of the enterprise, L is the average daily liquidity, and MC is the average volume of circulating funds.

The coefficient of liquidity reflects what the percentage of the average daily liquidity is in the total circulating funds in a given period of time.

The construction and utilization of the coefficient of liquidity in relative dimensions permits comparisons in time and space with regard to the level of liquidity, as well as supervision of the enterprise's financial and monetary equilibrium in the period of execution of the plan. Any positive or negative deviation from the coefficient's value regarded as optimum in a given period of time reflects depreciations in financial equilibrium. The coefficient's value is always below 1, there existing the possibility of constructing it both in planned dimensions and in effective dimensions.

The introduction of this indicator into financial practice would occasion the obtaining of conclusive information about the efficiency of the utilization of circulating funds, about the quality of their management, about the achievement of financial equilibrium--information that could serve in the decisionmaking process. It could also be useful to other bodies for having a picture of the way in which the enterprise fits its own mechanism into the mechanism of the national economy.

The deepening of the study of liquidity can also bring out other aspects extremely important to the proper functioning of the enterprise's economic and financial mechanism. However, what must be stressed in particular is the fact that the enterprise's liquidity reflects directly the quality of the management of the funds and represents one of the concrete forms of manifestation of financial equilibrium on a microeconomic level, a reason why the due attention should be devoted to it. By means of it, it is possible to act effectively in the direction of rising to qualitatively higher levels in applying the principle of economic and financial self-administration and in operating the new economic and financial mechanism.

1210
CSO: 2700

WORKER RESPONSIBILITY IN IMPLEMENTING NEW MECHANISM

Bucharest REVISTA ECONOMICA in Romanian No 27, 4 Jul 80 pp 3-4

[Article by Gheorghe D. Bistriceanu: "Furthering Democratism in the Economic Life of the Country"]

[Text] The development of the national economy at high rates and the full use of all reserves of material, financial and human resources give greater importance to the conscious factor and the broad participation of the masses of workers in the management of society. The continuing deepening of socialist democracy constitutes a process that emanates from the essence itself of the new order. This process has taken on vast dimensions and ever more improved forms of expression since the Ninth Party Congress, a moment which, on the basis of the elaboration and application of a profoundly scientific policy for the economic and social development of the country, marked the affirmation of a new concept regarding the framework and form of entire populace's participation in the management of economic-social affairs.

The Broad Participation of Workers in the Management of Society

In these last 15 years, new democratic structures were created that permitted the responsible involvement of all workers in the drawing up of development programs and the implementation of decisions. The drawing together of management and production, the institutionalization of labor and collective leadership, the growth of the role of the working class, the increase in the authority and attributes of the workers' general assemblies and the workers councils, the creation of certain new national-level organizations, such as the Front of Socialist Democracy and Unity, the National Council of Workers and so forth - these are several organization principles and forms that stand as authentic reference points in the process of furthering and improving a new, socialist type of democracy.

Economic democracy is a basic component of socialist democracy and, at the same time, a premise for raising it to a higher level of worker self-management. Stemming from the position itself of each worker being a creator of new wealth, an owner of social property and the recipient of

that which is produced in society and strengthened clearly by the role that the economic factor gives him to an ever greater degree in the development process, the furthering of worker participation in the economic processes has constantly been a concern of our party and its secretary general. In fact, the measures to improve the participative democratic structures had economics as their principal objective. Despite all these incontestable advances, as comrade Nicolae Ceausescu stressed in his speech at the Plenum of the Romanian Communist Party' Central Committee on 23 March 1978, during a certain stage "we did not keep up with regards to measures of an economic-financial nature made available to the organs of collective leadership and the general assemblies of workers those means necessary to fulfill their roles under the best possible conditions in the management of all economic-social activities." Precisely within this framework and according to the newly created structures, the transfer of certain authority to the basic levels of the economy and the transformation of potential into reality stimulated the improvement and the adaptation of the economic-financial mechanism and levers.

Increased Responsibility in the Conservation of Resources and the Growth of Efficiency

What are the significant elements that have characterized the measures to improve the new economic-financial mechanism? Ensuring the promotion of the principles of combining unified direction of activities in forging a multilaterally developed socialist society, on the basis of the unique national plan, with the economic-financial autonomy of the administrative and production units and with the principle of worker self-management and the self-administration of enterprises, the new economic-financial mechanism constitutes a fundamental element in the affirmation of a qualitatively superior stage of democratic centralism. Within this framework, there is stress on the role of the financial-banking system and the responsibility of each worker for the best possible use of financial resources and for an increase in economic efficiency. At the same time, this group of ideas calls for, in a general sense, an increase in the role of the enterprises in planning, completing the budget of incomes and expenditures and in providing the optimum conditions regarding the carrying out of profitable activities. The original note that characterizes this broad improvement process is the stressing of those factors for increasing new created property in the entire economic-social sphere of activity and, correspondingly, increasing the role of the indicators capable of expresses these increases in terms of the indicator of the value of net production.

The value of net production is a mobilizing and expressive synthetic indicator of efficiency and the plan which measures the consumption of actual work, expressing the exact effort of the enterprises, centrals and economic branches in the creation of national income. It summarizes

and shows the level of efficiency in using material resources, raw materials and materials, given that the size of the national income is dependent upon the new property that is created at the level of each economic unit.

In planning, the replacement of the total production indicator with the net production indicator marked an especially important moment in the process of improving the economic-financial mechanism. It was considered, on good grounds, that the final objective of any economic activity should be to increase the amount of newly created property, the sole means of increasing social wealth. And, in differing from total production - an indicator which, according to the statements of the secretary general of the party, was always inappropriate from the point of view of expressing the degree of resource use, with this dysfunction being even more accentuated in the current complex state of the economy, the net production indicator is capable of more exactly relating the contribution of each economic unit to general social progress. On the other hand, it is designed, as an element of planning, to direct the economic units towards the production of goods with a high degree of processing and reduced material expenditures; to eliminate the negative influences brought on by the artificial and unjustified distribution of certain products, semifabricated products and so forth, as well as by those generated by the changes taking place in the level of integration of production because of the furthering of specialization; to stimulate the reduction of consumption of raw materials, materials and energy since the degree of fulfillment of net production is directly influenced by the quality of management of material resources. Precisely in this sense it is currently possible to calculate certain much clearer indicators of efficiency than those that are calculated on the basis of total production.

Along with the establishment of the value of net production as the principal synthetic planning indicator, the new economic-financial mechanism also contains a series of other correlated indicators which express final values on a priority basis. Among these, we should mention physical production and other physical indicators on the basis of which goals are established for production, investments, exports, imports, deliveries to the market, the promotion of technical progress and so forth, as well as the total amount of work time at the enterprise (in man-hours). At the same time, there has been an extension and an improvement of the system of efficiency indicators and norms: labor productivity expressed in net production and in physical terms in the consumption of work time per unit of product; the level of use of production facilities, use indices for the amount of time available for work on machine-tools; raw material and material use indices; norms and standards for consumption and stocks of raw materials, materials, fuels and energy; standards for quality and for updating production; profit

levels and net production that sho ld be obtained per 1,000 lei of fixed assets; the amount of return on goods involved in foreign trade activities; the hard currency return on exported goods and so forth.

It should be shown that the promotion of the final activity indicators ensures the better use of available potential. At the same time, it permits the achievement of certain significant savings of raw materials, materials and energy, and opens a broad field of activity, along with the practical means for achieving a new concept of economic activities upon which the best possible use of all resources holds a central place.

The improvement of the economic-financial mechanism in the above-mentioned sense ensures a lasting basis for the affirmation of economic-financial self-administration, as a superior type of economic administration and as a modern socialist means for organization, planning, information and management of economic-financial activities. Self-administration presupposes that the enterprises, both the newly built ones and the existing ones, will produce as much as possible of superior quality, will achieve the planned net production, will fulfill the economic plan for all quantitative and qualitative indicators and will obtain a maximum economic efficiency. Similarly, economic-financial self-administration is designed to make the enterprises profitable, to compensate for all expenditures through their own incomes and to achieve supplementary incomes, repaying within the shortest possible time those funds received from society and creating their own funds necessary for production and development activities from their own financial results, in other words to become self-financing. At the same time, the enterprises must contribute to a greater degree to the creation of centralized funds necessary for the general development of society.

The Decisive Element - Actions for Fulfilling Goals

All of these goals, which in essence deal with the profitability of the activities of each economic unit, are to be achieved through the broad involvement of the workers collectives and through the use of all local resources. In this sense, we must understand the profound ideas and vibrant call issued by the secretary general of the party at the recent Enlarged Plenum of the National Council of Workers to make every effort for the daily affirmation in practice of the spirit of the measures to improve the new economic-financial mechanism.

One important facet of improving the economic-financial mechanism is the substantial improvement of economic and financial planning activities at the enterprise, central and ministry levels under conditions of instituting plan standards and norms at all organizational levels. This improvement process presupposes that the establishment of goals by department, by

branch and by region in planning activities will be achieved, beginning with the basic units that have a greatly increased role in determining the scope of their own activities and a greater responsibility for achieving their goals. The best possible use of the economic-financial levers in the enterprises' activities, the growth of cooperation and responsibility of the economic units, the workers collectives and the collective management organs in the management of material, financial and human resources with maximum efficiency, and the strengthening of economic-financial discipline are to be achieved through the application of numerous specific methods and techniques. Among these, a considerable greater role under the conditions of applying the new mechanism goes to the budget of incomes and expenditures of the enterprises. As comrade Nicolae Ceausescu stressed at the recent Working Conference of the Romanian Communist Party's Central Committee, the budgets of incomes and expenditures "are not something formal, but a means through which the management of each enterprise and the general assembly of workers can work to obtain maximum economic efficiency, a substantial reduction of material and production costs, the substantial growth of net production, profits and profitability in general..."

The use of this instrument permits the clearer presentation of financial results, by reporting incomes per expenditure, the detailed understanding of the means of creating, distributing and using the enterprise's own funds, the status of bank credits, payments to the state, the repayment of monetary funds received from society and so forth. The budget of incomes and expenditures thus constitutes a basic, active instrument for managing financial and self-financing activities, for decisions and analysis on the quality of activities carried out and for the economic-financial control that ensures the financial balance of the unit and contributes to the mobilization and use of all material and financial resources with maximum efficiency and to ensuring profitability.

Through the new economic-financial mechanism, important improvements were made to the finances of the cooperatist units and organizations (handicraft, agricultural production, consumer), to the state budget, to the social welfare system, to the provision of goods, to people and civic responsibility and so forth. All these improvements aim at increasing the material stimulation both of economic units, as juridic personalities, and their worker collectives. They are achieved, first of all, through the new destinations for the profits made within the plan framework, which the enterprises use for self-financing, creating their own funds for the workers to participate in the profits. Second, it is achieved because a much greater part of the profits made above the planned levels are distributed to the fund for the economic development of the enterprise, to the fund for housing unit construction and other investments of a social nature and to supplement the fund for worker participation in profits. From this point of view, the role of the profit in ensuring

economic development and raising the standard of living of the people increases substantially. A requirement stressed consistently by the party and state leadership is that each enterprise must carry out a profitable activity and maximize its profits. The carrying out of the policy of raising the material and spiritual level of the people cannot be achieved, according to the emphasis made in the recent party documents, except under the conditions of a continuing development of the forces of production, of increased efficiency and profitability in all our economic activities.

As comrade Nicolae Ceausescu stressed, the measures to improve economic-social management and to achieve a better economic-financial mechanism have special significance. However, they constitute merely an appropriate legal, economic and financial framework. No one should expect miracles merely because of their adoption. In order for them to give the desired results, we must work firmly to effectively implement them under the best possible conditions. Exactly for that reason, it is necessary to increase the direct responsibility of the collective leadership in the enterprises and centrals and all the workers in these units, and it is necessary to have persistent efforts for rational management and maximum efficiency with the material and financial resources that we have available.

8724
CSO: 2700

MEASURES TO IMPROVE USED GOODS RECYCLING PROCESS

Bucharest REVISTA ECONOMICA in Romanian No 27, 4 Jul 80 pp 6-8

[Article by Vasilie Bogdan, Sorin Dinca and Mariana Vania: "Increasing the Degree of Accepting Reuseable Resources from the Populace"]

[Text] Because of the increased level of civilization of Romanian society, the consumer sector is becoming a larger source of recyclable resources, now holding an important portion in the area of clothing and footwear articles, packaging for food and non-food products, durable goods, household and farm items and so forth. At the same time, as a result of the rapid rate of supplying the populace with automobiles, it is expected that in the near enough future the percentage of certain resources that had, up until now, been recovered almost exclusively from the production sector (tires, used auto parts, mineral oils and so forth) will be outstripped by those recyclable resources coming from the consumer sector. In other words, the recovery of used goods from the populace is gradually becoming a basic component of the resource recycling process in our country, a fact clearly reflected also in the normative acts approved at the national level at the beginning of this year which provide unified regulation of this process.

It must be said, however, that the implementation of the provisions of these normative acts is differentiated according to the source of the recyclable resources. While in the case of the state units the recycling of resources has favorable conditions, stemming from the organization of the administration of this process according to certain unified principles, the recycling of resources from goods removed from use by the populace must adopt specific methods. For that reason, we felt it would be useful to present certain aspects referring to the current means of involving the populace in the complex process of recycling resources, as shown by the investigations carried out by the Institute of Industrial Economy in the Homes of the Populace in Bucharest. We feel the discussion of certain such aspects is useful for the specialists involved in the solution of the complex problems related to teaching the people about the resource recycling process, not only as suppliers of used goods, but, to an equal degree, as the work force capable of carrying out at home a series of basic processing operations,

such as: disassembling, sorting, collecting and turning over used goods. The need to intensify efforts in this field was stressed with special clarity by the secretary general of the Romanian Communist Party, comrade Nicolae Ceausescu, during his 20 June 1980 working visit to the "Aurora" textile Enterprise in Bucharest, specifying that it is necessary "to draw up a program that will cover the means and solutions in order to reuse at least 50 percent of everything that is delivered for use by the populace and other users. On this occasion, it was indicated that the involved authorities would ensure a better organization of collecting used goods from the populace.

The participation of the populace in reducing the efforts involved in obtaining material resources and energy, through recycling activities, depends upon the degree in which the people understand the difficulties our country encounters, as the majority of the countries in the world do, in the area of procuring raw materials and fuels. The investigations undertaken show that although the people in Bucharest have broad access to the means of mass communication there is nonetheless only a partial awareness regarding the problems of procuring raw materials and energy. Thus, of the total number of persons interviewed during the survey conducted in Bucharest, 19.4 percent of the people have only an approximate idea of the difficulties encountered by our national economy in this area. Clearly, there are significant differences in the findings depending upon a person's socio-professional category, being especially specific with housewives (31.5 percent) and retired persons (28.6 percent) and less so with persons with further education (eight percent) and higher education (6.1 percent). And, in our opinion, it is precisely the fist two categories that can be brought into the recycling process to a greater degree, not only as suppliers of used goods, but also as the work force necessary to collect, disassemble, sort and turn over these goods to the specialized units.

At the same time, although a series of recycling systems were in operation in our country, the people were only partly aware of them. Thus, 37.1 percent of the people interviewed stated that they did not know of the existence of certain units that collect used goods from the people, while the remainder (62.9 percent) had only an approximate idea about them, indicating most of the times not the name of the enterprises or units, but the goods that are involved in this activity.

It is important to note that the majority of those who said they were aware of the existence of used goods collection activities (92.4 percent) referred to units belonging to traditional recycling systems (paper, old metals, glass and so forth), with this being mainly explained by the fact that, having operated for a long period of time, such units had been made known to the people through means of mass communication, direct contact or word-of-mouth. In the case of getting from the people those durable goods no longer in use, the current system was known by only

12.3 percent of the persons interviewed during the survey. This system has been operating for only a short time and, being in an early stage of organization (involving only the reconditioning of certain goods with a reduced level of use), could not be known through direct contact except by a very small number of people. The development of the recycling system for resources incorporated in no longer used goods can only be accomplished under conditions where the populace is aware of its role in the conservation of material resources and labor. The need to develop such a system stems, first of all, from the intensification of the process of removing goods from use in the coming five years. Under these conditions, not understanding such a system of accepting used goods from the people will lead mainly to the elimination of these goods through their destruction.

It is no less important to note the fact that 46.9 percent of the persons interviewed stated that understanding the recycling systems through publicity programs would serve as a means of stimulating the participation of the people in the collection of goods.

Using Certain Adequate Methods

The viability of the recycling systems for resources incorporated in no longer used consumer goods depends to an equal degree upon the manner in which the systems make contact with the people. From the information gathered in the survey, the people are satisfied to a lesser degree with the current means of turning over goods. In this regard, the people interviewed were asked to select one or a number of possible means of turning over goods, including the current means. The answers received (Table No 1) show that only 6.5 percent feel that the current methods should be maintained, with the majority opting for methods that involve direct contact through the intermediary of a denser collection network or through at-home pick up.

It is clear that the people's option is for a method that gives a maximum savings of time. The need to organize recycling systems that meet the requirements of the people also yields the fact that under current conditions only 10.8 percent of those persons interviewed turn over used durable goods to state units. Under the conditions of changed methods of collection, the proportion of those people who intend to turn in such goods could increase to nearly 45 percent, according to the opinions expressed.

The population's accumulation of a significant quantity of used durable goods as a result of the acceleration of the process of these goods no longer being used, against a background of a collection system for these goods that only party meets the requirements of the people, has generated a second-hand goods market (sales of used goods to individuals). In Table No 2, we show this aspect.

Table No 1

(In percent)

Total Number of Persons Interviewed:	100
Of which opted for:	
-- Maintaining the Current System	6.5
-- Establishing Centers in the Housing Complexes to Accept Used Goods	35.3
-- Collecting Used Goods via Telephone Orders	36.2
-- Organizing Collection Days through Tenet Associations	17.2
-- Other Means	4.8

Table No 2

Means of Removing (Transferring) Used Televisions and Refrigerators
(In percent)

	Televisions	Refrigerators
Total Number of Households Surveyed:	100.0	100.0
-- Disposed of such goods	16.3	12.1
Of the total number of households that diposed of these goods, it was done by:	100.0	100.0
-- Sales to Socialist Units	2.6	0.9
-- Sales to Individuals	23.5	30.4
-- Turned over to Relatives, Friends, etc.	59.2	64.2
-- Other means	14.1	4.5

The result is that the people have been involved in a significant proportion in the "second hand goods market" in order to better use those goods no longer in use and, to a lesser degree, involved with the socialist units. Similarly, the conclusion can be drawn that there is a segment of the population that is sufficiently significant that deals with the "second hand market" for its initial purchase or to complete its furnishings. This aspect is even more important in the reintroduction of reconditioned goods into the economic circuit where a superior recycling is achieved not only of the material resources and also of the energy incorporated in them, but also where the people's demands are satisfied under conditions of savings in the social labor incorporated into these goods. And, in the case of goods having a high degree of processing, which involve a great amount of social labor, exactly this aspect of recylcing is more important.

It is clear that the systems for recovering used goods from the people and reintroducing the resources incorporated in them into the economic circuit also depends to an equal degree upon the appropriate organization of these systems. The investigations carried out show that of the total number of people who are aware of these units specializing in acquiring used goods from the people, only 50.6 percent used these services, at the same time pointing out a series of organizational deficiencies in the recycling systems. Among these, we can mention the more important ones:

-- an unbalanced geographic distribution of the collection and acquisition centers and great distances from the home to one of these units;

-- there are sufficiently frequent cases where these units do not have the funds available to pay for the used goods brought in by citizens;

-- an insufficient correlation of the schedule of these centers with the free time of the citizens;

-- service personnel are only partially trained for this activity, with the people interviewed expressing dissatisfaction at a rate of 30 percent regarding this aspect;

-- the problem of transporting certain heavy goods is only partially resolved, many times being left up to the persons who want to turn in such goods;

-- the pricing system used in acquiring used durable goods contributes in a negative way in stimulating the people to turn over used goods and so forth.

The results are that the concerns which call for the improvement of the organization of the collection system for reuseable materials need to be directed to a greater degree towards finding certain specific means of attracting the people into the collection activity. Such methods must be compatible with the particular nature of the process of procuring, using and disposing of goods by the people, including:

-- the dissimilarity of the used goods generated both by the diversification of the people's demands and by the great differences that occur with regards to the physical and moral use of these goods;

-- the unbalanced geographic spread and heterogeneous distribution of consumers, as suppliers of used goods;

-- the differentiated opportunities for calling upon the free time of the different categories of people to carry out certain operations that make up the collection activity (disassembly of used goods, sorting of materials, transportation and delivery of these goods to the socialist units and so forth);

-- the specific means for stimulating the participation of different categories of people in the complex process of the selective collection of used goods and so forth.

Measures for Accelerating Collections

The analysis of the results of the surveys carried out among the households in Bucharest shows that in order to increase the participation of all citizens in the complex process of recovering the reuseable materials incorporated in no longer used goods it is necessary to implement a group of coordinated measures at difference organizational levels that are designed to contribute to the improvement of the operation of the current national resource recycling system, whose organizational framework was clearly outlined in the normative acts approved at the beginning of this year.

The first category of measures refers to making all the categories of people aware to a greater degree regarding the importance of recycling resources for our national economy. From this point of view, the following principal directions for action would be taken into consideration:

-- the continuation and intensification of actions to popularize the role of recycling resources among the ranks of all categories of people where each citizen can make his contribution to the better management of resources incorporated in used goods;

-- the intensification of the concerns of the economic units involved in the recycling of resources with regards to informing the people about the objective of their activities, the means of carrying them out, the conditions for accepting used goods and so forth;

-- the differentiated use of each means of mass communications for this purpose or any other means of publicity, depending upon the segment of the population where it registers its maximum audience, concomitantly with the use of specific methods for each segment;

-- the involvement to a greater degree of political and public organizations, educational institutes and so forth not only for the collection of used goods, but, first of all, for the promotion of a new concept and a new responsible attitude on the part of each citizen regarding the need to better use the resources incorporated in used goods and so forth.

As shown by the results of the options posed by the persons interviewed during the survey, the second category of measures refers to the adaptation of the means and conditions of accepting used goods to the demands of the populace. In accordance with the uneven geographic heterogeneity and spread

of goods no longer in use which must be collected, the need is felt to find certain stimulating forms to transfer the operations of disassembling, sorting and selecting the categories of reuseable materials from the sphere of activities of the collecting units to the people by using home labor on a broad scale. This would thus ensure the possibilities for selective collection, a procedure successfully experimented with in some developed nations, such as France, the FRG and others. On the other hand, especially in the urban areas, tenant associations could be involved in the collection process, which could ensure the collection of quantities that would make it profitable to have direct pick up of reuseable materials at home using transportation made available to the collection units, on the basis of calls made by these associations. Similarly, there can also be experimentation with the procedure of organizing "clean up days" by streets and housing areas concomitantly with the participation of the residents in the disassembly, selection and sorting of reuseable resources.

The third direction for action refers to involving the small-scale industries (including cottage industries) in using reuseable materials for the purpose of producing certain goods to be used in satisfying different social demands (for production and consumption). From this point of view, the national resource recycling system should, in our opinion, involve the populace in a triple role: as suppliers of used goods; as available labor in the processes of disassembling, selecting, sorting and turning over reuseable materials; as producers of certain goods by using reuseable materials obtained from the recovery of used goods.

We have presented only several measures capable of contributing to the effectiveness of the provisions of the normative acts referring to the collection of used goods from the people. It must be said, however, that the most accurate estimate of the quantities of used goods available to the populace, as well as the improvement of the forms of involving all the people as fully as possible in the complex process of recycling resources incorporated in these goods, calls for the continuation of the investigations of the type organized by the Institute of Industrial Economy, analyses capable of providing the informational material necessary for the scientific substantiation of decisions in this field of activity. When this is mentioned, we have in mind that numerous individual acts of acquiring, using and disposing of goods slated to satisfy the demands of the people cannot be exhaustively studied, but only studied through certain specific statistical procedures, where the survery technique plays a major role. That is why we feel it would be useful to carry out such investigations, at preestablished times, which could be the object of research programs of specialized institutes. Such a need stems from the fact that the range of goods is continually growing that fall out of use in the consumer sector and in quantities that are of interest from and economic point of view.

8724
CSO: 2700

NATION EXPLORING EXPANDED ECONOMIC COOPERATION WITH CEMA

Bucharest REVISTA ECONOMICA in Romanian No 27, 4 Jul 80 pp 26-27

[Article by St. Stancu: "Directions of the Development of Economic Collaboration and of Cooperation in Production Among the CEMA Member Countries"]

[Text] The recent CEMA session, although being an ordinary annual session, had a significance out of the ordinary, determined both by the problems on the agenda and by the special characteristics of the current stage of economic development of the member countries, as well as by the evolution of the situation of the world economy.

Considering that in this period the member countries are engaged in extensive work for devising and finalizing the new five-year plans and the directions of development for the next decade, it is explicable why the main problems put into discussion at the session referred to the results of the mutual consultations in the field of coordinating the 1981-1985 plans and to the concluding of conventions and understandings on cooperation and specialization in production among the CEMA member countries in the period after 1980. At the same time, the appearance of new problems with a complex character in the economic life of all countries, including the CEMA member countries, as a result of the phenomena of crisis appearing in the world economy, has increased the exigencies regarding mutual collaboration within CEMA, regarding the way in which the organization's activity is directly connected with the current concerns of the countries and contributes to the solving of the problems with which they are confronted in developing their national economies.

Taking place in an atmosphere of comradely cooperation, the session of the council adopted decisions and agreed on measures whose implementation is of a nature to influence positively the solving of the problems appearing and, implicitly, the acceleration of the development of the national economies of all the member countries, the attainment of the objectives established by the congresses of the communist and workers parties in each CEMA member country, and the increasing of socialism's prestige and attractive force on a world level.

The CEMA session's current meeting, like the earlier ones, occasioned a new and strong reaffirmation of socialist Romania's consistent line of continual development of economic, scientific and technical relations with the CEMA member countries. Clearly expressing this course, Comrade Nicolae Ceausescu pointed out at the 12th congress of our party, "Romania will continue to act steadily to develop the collaboration and improve the activity of CEMA, on the basis of the principles of equality and mutual advantage, with a view to the stronger and stronger flourishing of each national economy."

Accordingly, within CEMA, Romania manifests continual concern for orienting the activity of all its bodies toward the concrete problems of economic collaboration and of cooperation and specialization in production, in the firm desire to expand the economic relations with the member countries and, of course, to benefit, along with these countries, from the positive effects of the development of relations of comradely mutual aid and collaboration, based on the principles of equality and mutual advantage. The implementation of this line is strikingly illustrated by the very fact of the analysis, in the Political Executive Committee of the RCP Central Committee, of the mandate of the Romanian delegation designated to participate in the proceedings of the session and by the instructions, given on this occasion, to act to develop economic collaboration and cooperation in production among the CEMA member countries in conformity with the provisions of the CEMA statute and of the complex program.

The Romanian delegation judged positively the activity performed by the council's bodies in the period that passed since the previous meeting of the session, especially in the direction of identifying possibilities of cooperation and mutual exchanges of goods in the next five-year period and preparing conventions for actions included in the special programs for long-term collaboration.

At the same time, our delegation stressed in particular the still open problems on solving which there depend the acceleration of the economic and social progress of the CEMA member countries, the raising of the efficiency of their mutual collaboration, and the effective affirmation of the superiority of the international economic relations of a new type.

In connection with the stage of the work of coordinating the plans for the 1981-1985 period, the Romanian delegation to the session, headed by the prime minister of the government of the Socialist Republic of Romania, pointed out that our country cannot be satisfied with the results of the mutual collaboration with the council's members on solving the problems connected with meeting its need for energy and fuel, especially crude oil. The raising of such problems is fully justified, considering that, some time ago, the CEMA member countries, acting in the spirit of the council's statute, adopted programmatic documents and agreed on actions for intensifying the collaboration for solving this important problem. In this regard, one should note the provisions of the complex program in which the

necessity of more fully meeting the growing need for fuel, energy, metallurgical products and other raw materials on the basis of uniting the efforts of the interested countries is clearly pointed out.

In addition, with the complex program being developed, special programs for long-term collaboration, including in the field of energy, fuel and raw materials, were prepared and adopted by the session of the council.

In the declaration of the heads of the delegations of the CEMA member countries in connection with the adoption of special collaboration programs by the session, published in June 1978, and within the above-mentioned program, it is pointed out that the main goal of this program consists of reliably meeting for a long period the economically substantiated need of the CEMA member countries for the most important types of energy, fuel, ferrous and nonferrous metals, chemical raw materials and other types of industrial raw materials. It is stated further that the efficient resolution of this complex problem is possible on the basis of combining the efforts of the member countries, on the basis of their collective actions, on the basis of the decision to use together, by means of collaboration and cooperation, in the national and general interests, the natural resources and the material and labor resources in their countries.

Romania has constantly expressed its interest in participating in the actions of collaboration in the field of fuel and energy, both at the level of the session and in the various bodies of CEMA. In this regard, it is a revealing fact that, in all of the contributions of the Romanian delegations to the council's sessions that have taken place during this five-year period, Romania's desire to expand the collaboration with the other member countries in the field of meeting the need for fuel, energy and raw materials, and the necessity of agreeing on new actions of collaboration among the CEMA member countries for solving the respective problem in the best way, were pointed out every time. In addition, in the contribution of the Romanian delegation to the session in 1978, on the occasion of the adoption of the special programs, it is stated that in the field of fuel, energy and raw materials it is necessary to act steadily to conclude new actions of cooperation for utilizing the reserves existing in the member countries, in order to increase the deliveries and meet to as great an extent as possible the import need of the countries that have limited resources, taking into account the fact that concrete actions in fields of vital importance to their national economies, such as those with regard to meeting the need for crude oil and natural gas, are still not included in the special programs.

The judgment made by the Romanian delegation to this year's session of the council with regard to the results of the collaboration thus far is especially well founded because the effects of this collaboration for our country in the field of providing the base of fuel and energy are very small or even insignificant with regard to providing the imports of products of vital importance, such as crude oil and electric power. In the majority of the cases, the percentage of the mutual collaboration within CEMA in

covering the respective imports is far below the place that the trade with these countries occupies in the general trade exchanges of Romania.

Along with expressing our country's views in connection with the role that the mutual collaboration and the activity of the council must have in solving a problem so complex as that of meeting the need of the member countries for fuel and energy, the Romanian delegation to the session, acting in a constructive spirit of collaboration and understanding characteristic of our relations with the socialist CEMA member countries, showed initiative by means of the concrete proposals presented for discussion at the session. Thus, by virtue of the principle of mutual advantage and in order to avoid any unilateral approach to the problem, it was specified unequivocally that a fair solution for meeting the need for fuel and energy requires at the same time the participation of the interested countries, thus of Romania too, in the material efforts, including with the necessary manpower, for utilizing the natural resources existing in the CEMA member countries. In addition, regarding the attainment of the objective of providing by means of collaboration within CEMA a comparable degree of supplying with crude oil, other fuel and energy, which would permit a comparable consumption per capita in the member countries, it was pointed out that it is necessary to start from strict criteria regarding the substantiated need and to take into account accordingly each country's own resources.

Examining these problems of essential importance to the future development of the CEMA member countries, the session prescribed that proposals be prepared with regard to expanding the collaboration for meeting as fully as possible the need of these countries for fuel and energy, for the period up to 1990 and for a longer period, and with regard to expanding the collaboration in performing geological work for increasing the reserves and the deliveries of fuel, energy and raw materials.

Along the line of a complex solution to the same problem, our country pointed out, at the same time, the necessity of developing within CEMA collaboration in the field of fully using the oil-processing capacities existing in these countries, which would be of a nature to contribute to the mutual satisfaction of their need for petrochemical products to a greater degree. This proposal found its reflection in the provisions of the decision adopted at the session.

In addition, on the occasion of the session, Romania, along with other member countries, signed a convention on collaboration for increasing the degree of processing of crude oil, through the introduction of improved technologies and through specialization and cooperation in the production of installations and equipment for procedures of secondary processing. Concerned especially with substantially reducing its energy consumption and with promoting research on and the planning and use of new sources of energy, our country reaffirmed its real interest in expanding the collaboration in these fields with the other member countries, particularly for identifying more efficient methods of economization of energy and for devising new technologies that are small consumers of fuel and materials.

Another initiative of Romania, reflected in the session's documents, stresses the importance that is being gained by the problem of expanding the collaboration of the CEMA member countries in the field of meeting their ever growing need for rare metals, chemical materials and products of high and very high purity and special steels and alloys, under the conditions in which the electronics industry, nuclear power, the production of special equipment, and other peak branches of technology--consumers of such materials--are constantly being developed in these countries. The session prescribed that concrete measures be prepared with regard to expanding the multilateral collaboration on research on and the devising and production of these materials, including through the concluding of long-term agreements among the interested countries. At the same time, at our country's proposal, the session established measures and instructed the appropriate bodies of the council to intensify the collaboration in the field of methods and technologies for recyclying recoverable materials--metal, rubber, plastic, glass and others--a proposal in complete accord with our country's general policy of better utilization and economization of resources.

Stressing the special importance of the measures established by the session with regard to expanding the mutual collaboration for meeting as fully as possible the need of the member countries for fuel, energy and raw materials, the session of the Political Executive Committee of the RCP Central Committee on 24 July of this year, in which the report of the Romanian delegation participating in the proceedings of the session was discussed, specified at the same time that the orientation of the collaboration toward such objectives would be of a nature to utilize as fully as possible the advantages of the socialist economy, the superiority of the relations of a new type between the socialist countries, and to cause a rise in socialism's prestige and influence in the world.

This year's proceedings of the CEMA session conferred an important place on examining the problems of expanding and deepening the international specialization and cooperation in the production of the most important types of machines and equipment and improving the collaboration of the member countries in machine building and the radiotechnological and electronics industry. The overwhelming importance that these branches have for the general progress of the economies of the socialist countries, and the efforts made and the remarkable results obtained by them in developing these key sectors of industry, are well known. Considerable possibilities of increasing the collaboration and exchanges among the CEMA member countries have been created on this basis. The interest that Romania is showing in intensifying the specialization and cooperation in the production of machine building finds its concretization in its participation in most of the multilateral conventions concluded by the CEMA member countries.

Nevertheless, Romania continues to have a rather low percentage within the mutual exchanges of specialized machines and equipment, and the structure of its deliveries seems less favorable due to the unsuitable participation of the highly technical products, which highly utilize material and labor

resources. This situation led to the Romanian delegations's judgment, made during the session, in the sense that the volume, structure and efficiency of Romania's participation in the specialization in production among the CEMA member countries reflects insufficiently the current stage of development of Romanian industry, the real possibilities of employing our radiotechnological and electronics industry and machine building in international specialization and cooperation in production.

At the same time, the necessity of intensifying the collaboration and exchanges among the CEMA member countries for more fully meeting their growing needs and reducing the costly imports, from other countries, of technological equipment and complex installations, especially mining, power, metallurgical and chemical equipment, heavy machine tools and multipurpose aggregates, machine tools for working metal by unconventional methods, means of automation and of computer technology, equipment for industrial electronics, control systems, electronic components and so on, was stressed.

Attributing to specialization and cooperation in production an essential place within the collaboration among the CEMA member countries, Romania spoke out at the session for the priority orientation of this activity in the directions of approaching the most advanced branches of contemporary production, assimilating modern technologies and creating new production capacities placed in many countries, especially in the less industrially developed ones, in order to speed up the process of equalizing the economic levels. In addition, we are declaring ourselves and acting for the promotion of specialization, both in finished products and in subassemblies and parts, for cooperation that provides to each country the assembly and delivery of highly complex industrial products, for the expansion of the manufacturing series and the substantial raising of the quality and technical level of the specialized products.

Our country expressed at the session its direct interest in attaining--in the course of finalizing the work of coordinating the plans for the next five-year period--a substantial increase in the volume and a diversification of the assortment of the mutual deliveries of specialized products of high technicality, which highly utilize material and labor resources, in the interest of all the CEMA member countries and of the expansion of their collaboration and cooperation. In general, the Romanian delegation dwelled on increasing to a greater extent in the next five-year period the volume of the mutual exchanges of goods between the CEMA member countries, stating that it is ready, with this end in view, to examine together with other countries new measures and actions of collaboration.

The detailed examination, at the recent CEMA session, of the stage of the work of coordinating the economic plans of the member countries for the 1981-1985 period showed that a number of problems of collaboration of maximum importance to the economic and social progress of these countries--the fuller meeting of the need for fuel, energy and raw materials, the expansion of specialization and cooperation in production, and the increasing of

the volume of the mutual exchanges to a greater extent--have still remained open, affecting to one degree or another the finalization of the five-year plans and the evolution of mutual collaboration.

For these reasons and fulfilling the mandate entrusted by the Political Executive Committee of the RCP Central Committee, the prime minister of the Romanian government stated that the problems of coordinating the plans and developing the collaboration should be discussed--as early as during this year or in the first part of next year--at the highest level, by party and state delegations, headed by the first secretaries or, respectively, the secretaries general of our parties, as Comrade Nicolae Ceausescu recently proposed. Such a proposal springs from the fact that, in the final analysis, the economy's problems have the decisive role in the work of constructing the new order in the CEMA member countries, in the raising of the material and cultural standard of living of those who work, in the economic and social development and the strengthening of these countries, in the affirmation of socialism's superiority and vitality.

Acting constantly in the direction of expanding the collaboration with the CEMA member countries, Romania is militating, at the same time, for the wide development of relations with all the socialist states, on the basis of the principles of national independence and sovereignty, equality in rights, noninterference in internal affairs, mutual advantage and comradely mutual aid. At the same time, our country is acting to strengthen and diversify the collaboration with the developing and nonaligned countries and is promoting, in the spirit of peaceful coexistence, economic, scientific and technical relations with the developed capitalist countries, with all states of the world. Socialist Romania is thus making its active contribution to the providing of a climate of security and peace, collaboration and detente on the European continent and throughout the world, to the affirmation of socialism and communism.

12105
CSO: 2700

RETAIL, PRODUCER PRICES, COST OF LIVING INCREASES

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 8 Aug 80 p 7

/Excerpts/ In July prices in production increased 25.1 percent compared to July 1979; prices of producer goods increased 32 percent, those for consumer goods increased 18.1 percent, and prices of machinery and equipment increased 11.3 percent. Producer prices of industrial products increased 22.2 percent in the first 7 months of this year compared to the same 1979 period, according to the Federal Bureau for Statistics.

Producer prices increased 3.8 percent in July over June, despite the decision on price ceilings, because of the price rise for oil derivatives. The producer price rise would have been 1 percent if prices for oil derivatives had not risen.

This oil derivative price rise, in fact, is the largest in the 7-month period. For instance, the price increase of oil and natural gas production amounted to 94.2 percent in July over July 1979, the price increase in oil derivative production was 101.3 percent. Prices increased 48.6 percent in coal production, 25.7 percent in electric power production, 29.7 percent in nonferrous metal ore /production/, 30.7 percent in nonferrous metals production, and 30 percent in nonferrous metals processing.

In July producer prices increased 20 percent over December 1979. The monthly average increase in producer prices in the 7-month period has been very high, namely, 11.5 percent compared to December 1979.

Retail prices increased 27.3 percent in the first 7 months of this year compared to the same 1979 period; prices for agricultural products increased 30.8 percent and those for industrial products 27 percent, those for industrial products (not including food products) 30.2 percent, and those for services 24 percent.

July retail prices increased 29.8 percent compared to July 1979, 3.8 percent compared to June 1980, and 20.6 percent over December 1979, while the monthly average increase for the 7-month period was 10.8 percent compared to December 1979.

In the first 7 months of this year the cost of living increased 27.2 percent compared to the same 1979 period; the cost of food rose 27.6 percent, shoes and clothing 22.6 percent, housing 27.8 percent, heat and light 39.1 percent, household furnishings 27.2 percent, and transportation, postal and telecommunications 40.7 percent. The cost of services increased 20.8 percent. The cost of living in July was 29.5 percent more than July 1979, but only 0.7 percent more than in June 1980. The monthly average increase in the cost of living in the past 7 months has been 12.3 percent compared to December 1979.

CSO: 2800 END

END OF FICHE DATE FILMED

Sept. 11, 1980